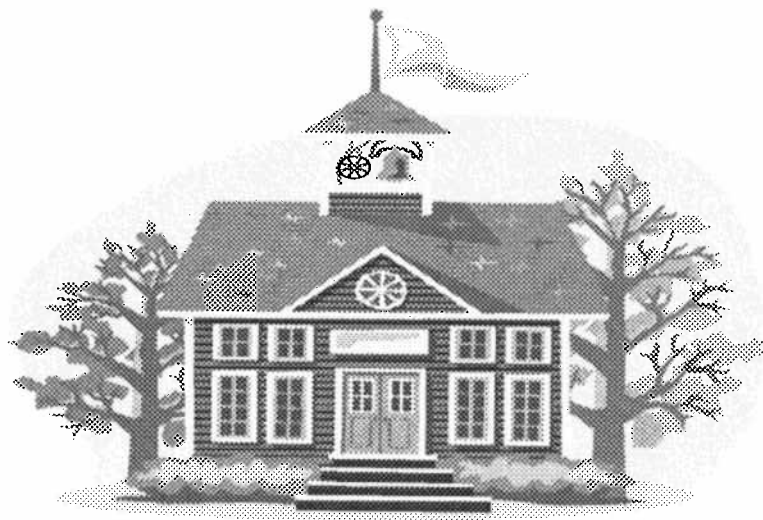


**SCHOOL DISTRICT
OF
LAWRENCE TOWNSHIP**



**LAWRENCE TOWNSHIP BOARD OF EDUCATION
LAWRENCE TOWNSHIP, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

LAWRENCE TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1.
Roster of Officials	2.
Consultants and Advisors	3.
Organizational Chart	4.
FINANCIAL SECTION	
Independent Auditor's Report	5 & 6.
Required Supplementary Information – Part I	
Management's Discussion and Analysis	7 to 17.
<u>Basic Financial Statements</u>	
A. District-wide Financial Statements:	
A-1 Statement of Net Assets	18.
A-2 Statement of Activities	19 & 20.
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	21.
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	22 & 23.
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24.
Proprietary Funds:	
B-4 Statement of Net Assets	25.
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	26.
B-6 Statement of Cash Flows	27.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	28.
B-8 Statement of Changes in Fiduciary Net Assets	29.
Notes to Financial Statements	30 to 47.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	48 to 62.
C-1b Budgetary Comparison Schedule – General Fund – Education Jobs Fund	63.
C-2 Budgetary Comparison Schedule – Special Revenue Fund	64 & 65.
Notes to the Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	66.
Other Supplementary Information	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	67 to 69.
E-2 Schedule of Preschool Education Aid – Budgetary Basis	70.
E-3 Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis	N/A
E-6 Schedule of Targeted At-Risk (TARA) Aid – Budgetary Basis	N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Project Expenditures	71.
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Solar Energy – Savings System	72.
F-2b Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Improvements – Various Schools	N/A
F-2c Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Solar Energy Savings Systems	N/A
G. Proprietary Fund:	
Enterprise Fund:	
G-1 Schedule of Net Assets	73.
G-2 Schedule of Revenues, Expenses and Changes in Fund Net Assets	74.
G-3 Schedule of Cash Flows	75.
Internal Service Fund:	
G-4 Combining Statement of Net Assets	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets	76.
H-2 Combining Statement of Changes in Fiduciary Net Assets	77.
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	78.
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	79.
H-5 Summer Savings – Schedule of Receipts and Disbursements	79.
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	80 & 81.
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund - Budgetary Comparison Schedule	82.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (Unaudited)	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Assets by Component	83.
J-2 Changes in Net Assets	84.
J-3 Fund Balances – Governmental Funds	85.
J-4 Changes in Fund Balances – Governmental Funds	86.
J-5 General Fund Other Local Revenue by Source	87.
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	88.
J-7 Direct and Overlapping Property Tax Rates	89.
J-8 Principal Property Taxpayers*	90.
J-9 Property Tax Levies and Collections	91.
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	92.
J-11 Ratios of General Bonded Debt Outstanding	93.
J-12 Direct and Overlapping Governmental Activities Debt	94.
J-13 Legal Debt Margin Information	95.
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	96.
J-15 Principal Employers	97.
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	98.
J-17 Operating Statistics	99.
J-18 School Building Information	100.
J-19 Schedule of Required Maintenance Expenditures by School Facility	100.
J-20 Insurance Schedule	101.

*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

Page

SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and On Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards (No Material Weaknesses Identified, No Significant Deficiencies Identified, No Reportable Instances of Noncompliance or Other Matters Identified</i>	102 & 103.
K-2	Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and On Internal Control Over Compliance in Accordance with OMB Circular A-133 (<i>Unqualified Opinion on Compliance; No Material Weaknesses or Significant Deficiencies in Internal Control Over Compliance Identified</i>)	104 to 106.
K-3	Schedule of Expenditures of Federal Awards, Schedule A	107.
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	108.
K-5	Notes to Schedules of Awards and Financial Assistance	109 to 111.
K-6	Schedule of Findings and Questioned Costs	112 to 115.
K-7	Summary Schedule of Prior Audit Findings	116.

INTRODUCTORY SECTION

**Lawrence Township Board of Education
2565 Princeton Pike
Lawrenceville, NJ 08648**

November 14, 2012

Honorable President and
Members of the Board of Education
2565 Princeton Pike
Lawrenceville, NJ 08648-3698

Dear Board Members:

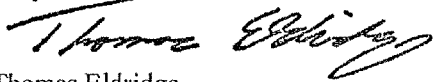
The Comprehensive Annual Financial Report (CAFR) of the Lawrence Township School District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the general purpose financial statements and schedules, The Management Discussion and Analysis Letter, as well as the auditor's report. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

The Comprehensive Annual Financial Report summarizes the financial activity of the district as a financial reporting entity. The primary purpose of the reporting entity is to provide a full range of educational services appropriate to grade levels Pre-K through 12 including both special and regular educational programs. The budget, upon which the audit is based, is primarily driven by Board Goals, federal laws, state laws, and student enrollment as well as a myriad of other compliance requirements complementing educational mandates. The Comprehensive Annual Financial Report reflects the health of the school district's finances from the perspective of financial accounting and financial compliance, and does not reflect, or give an opinion as to the educational efficacy of a program.

While presented in four sections, this document is intended to be read as a whole. A narrative on the status of the major funds within the school district's budget is included within the Management Discussion and Analysis section of this report.

Respectfully submitted,



Thomas Eldridge
Business Administrator/Board Secretary

Lawrence Township School District
Lawrence Township, New Jersey
Roster of Officials
June 30, 2012

Board Member	Date of Election	Term Commencement	Term Expires
Laura Waters, President	April 20, 2010	April 28, 2010	April 2013
Leon Kaplan	April 20, 2010	April 28, 2010	April 2013
Michael Horan	April 17, 2012	April 25, 2012	April 2013
Deborah Cherry	April 27, 2011	May 9, 2011	April 2014
William Michaelson	April 27, 2011	May 9, 2011	April 2014
Murali Aiyyar	Appointed	June 5, 2012	April 2013
Jo Ann Groeger	April 17, 2012	April 25, 2012	April 2015
Thomas Patrick	April 17, 2012	April 25, 2012	April 2015
Kevin Van Hise, Vice President	April 17, 2012	April 25, 2012	April 2015

Administration	Position	Commencement	Expire
Crystal Edwards	Superintendent	September 1, 2011	July 1, 2015
Thomas Eldridge	Board Secretary /Bus. Admin.	July 1, 2012	June 30, 2013
Richard Krawczun	Treasurer	July 1, 2012	June 30, 2013

Robert A. Hulsart & Company, Auditor appointed April 25, 2012
Parker McCay, Attorney appointed April 25, 2012
Comegno Law Group appointed April 25, 2012

Total votes at annual election:

2005	3,295
2006	1,568
2007	1,505
2008	1,927
2009	1,131
2010	3,217
2011	1,486
2012	3,752

REGULAR MEETING SCHEDULE 2012/2013				
May	14,	2012	November	14, 2012
June	11,	2012	December	19, 2012*
July	9,	2012	January	9, 2013
August	13&27,	2012	February	13, 2013
September	12,	2012	March	13, 2013
October	10,	2012	April	10, 2013
All meetings shall begin at 6:30 p.m. and be held at the Lawrence High School Library, unless otherwise noted.				

LAWRENCE TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

Audit Firm

Robert A. Hulsart & Company
Certified Public Accountants
P.O. Box 1409
Wall, New Jersey 07719

Attorney

Parker, McCay & Criscuolo, P.A.
1009 Lenox Drive
Building 4 East, Suite 102A
Lawrenceville, New Jersey 08648

Official Depositories

Wells Fargo, N.A.

MBIA

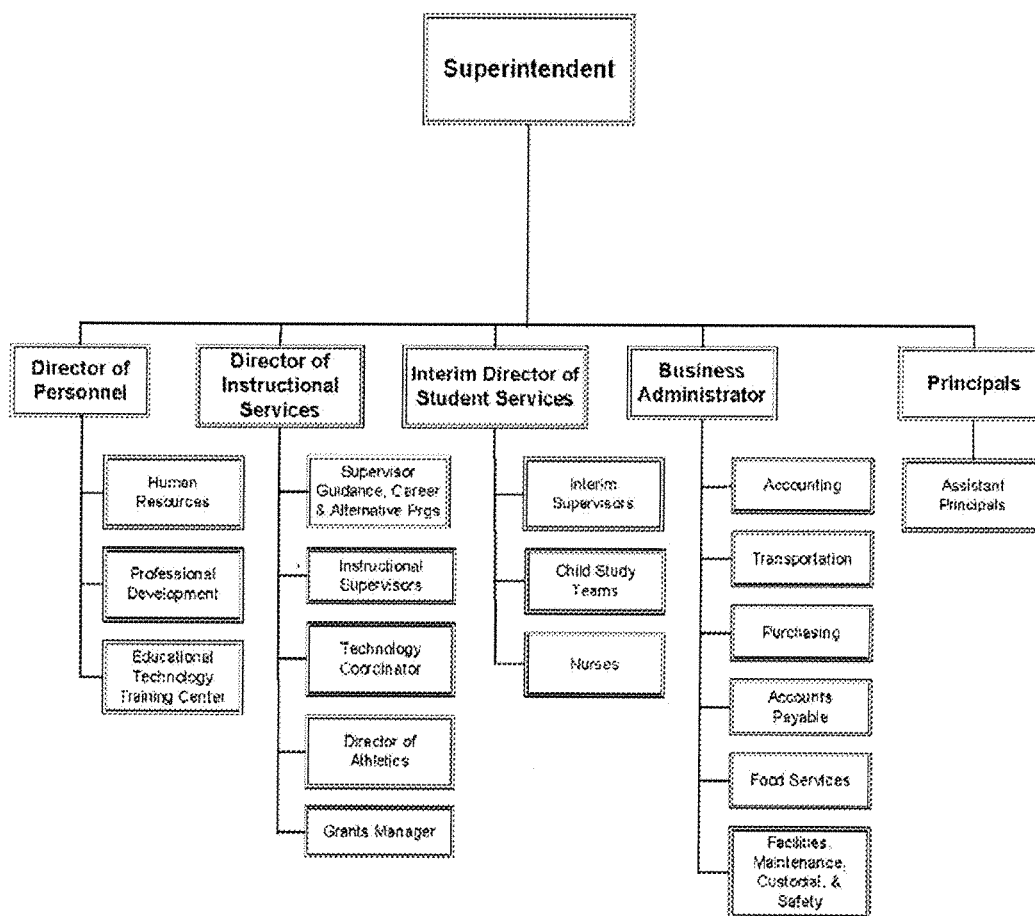
N.J. Cash Management

POLICY

LAWRENCE TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION
1110 / Page 1 of 1
ORGANIZATIONAL CHART

1110 ORGANIZATIONAL CHART



April 25, 2012

Adopted: 9 December 1998
 Revised: 15 October 2008
 Revised: 11 November 2009
 Revised: 11 July 2011
 Revised: 13 August 2012



FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)

ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.

ROBERT A. HULSART, JR., C.P.A., P.S.A.

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:

(732) 280-8888

e-mail:

rah@monmouth.com

2807 Hurley Pond Road • Suite 100

P.O. Box 1409

Wall, New Jersey 07719-1409

(732) 681-4990

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Lawrence School District
County of Mercer
Lawrence, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Lawrence School District, in the County of Mercer, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lawrence Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Lawrence Board of Education, in the County of Mercer, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2012, on our consideration of the Lawrence Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 7 through 17 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lawrence Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 14, 2012

REQUIRED SUPPLEMENTARY INFORMATION
PART I

LAWRENCE TOWNSHIP PUBLIC SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

The discussion and analysis of Lawrence Township Public School District's financial performance provides a review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to review and explain the School District's financial performance for the major fund categories. The MD&A should be read in conjunction with the Comprehensive Annual Financial Report(the audit). For information about the deployment of resources relative to the instructional program, the reader is referred to the district's Official Budget and related information available in the Board Secretary's office located at the Administration Building, 2565 Princeton Pike, Lawrenceville, NJ 08648, or at the district's website at www.ltps.org.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Lawrence Township Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets and Statement of Activities* provides information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Lawrence Township Public School District, the General Fund is the most significant fund, with the Special Revenue Fund, Capital Project's Fund, and Debt Service Fund also having significance. The General Fund and Special Revenue funds are used for day to day operating activities that support the basic educational program. The Capital Projects Fund supports construction projects and the Debt Service Fund is used to account for long term debt that was issued through a bond referendum or other publicly approved borrowing mechanism.

The most financially instructive schedule in the CAFR, closely related to the district's official budget statement, is the Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual. These schedules (Exhibits C-1 & C-2) reflect most closely the district's Board Secretary's Reports and budget submitted to the State of New Jersey. It is crucial that the reader of these audit documents refer to the interim financial reports presented in the form of the Board Secretary's Report which can be found online at www.ltps.org.

The purpose of Exhibits C-1 & C-2 are to provide the reader with comparative numbers concerning budgeted appropriations and expenditures and actual appropriations and expenditures. The reader, however, should be cautioned to refer to "Note 11" when analyzing the last section of the "C" schedules concerning Fund Balance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding the Management Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the school district's major funds begins on Exhibit B-1. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. The MD&A focuses on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The school district's activities are reported in Governmental Funds. Governmental Fund reports focus on the flow of money into and out of these funds and the remaining balances left at year-end available for use in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The school district meets its obligation to provide a thorough and efficient public education through funding accounted for in its governmental funds. The majority of all governmental funds expended by the Lawrence Township Board of Education are raised through tax levy (ad valorem taxes).

The Governmental Fund statements provide a detailed short-term view of the School District's general operations and the basic services. Included in the Comprehensive Annual Financial Report are the Governmental Fund Statements of Revenues, Expenditures, and Changes in Fund Balances which include information to assist in comparing budgeted to actual expenditures.

The Statistical Section of the Comprehensive Annual Financial Report provides information necessary for the reader to compare expenditures across budget years for the programs listed. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. Enterprise funds, however, are subject to greater volatility due to uncertain revenue streams. Enterprise funds at their most basic are funds that are operated on a fee for service basis.

Financial Highlights

The Lawrence Township Board of Education separates its comprehensive budget into fund groupings. Major fund groupings are separated into discrete fund types. Each fund has its own budget and separate balance sheet. **This analysis focuses on the district's General Operating Fund.**

Key Financial highlights for the reporting year for the General Operating Fund are as follows:

The Economic Climate:

The economic climate of the nation, state, county, municipality and private industry is influencing the operations of the Lawrence Township Public Schools and the students the district serves. Below are listed some of the key influences encountered during the school year. These issues are anticipated to remain influential throughout the next several school years.

- **Free and Reduced Priced Lunches**-Participation in the National Schools Lunch Program is typically considered an indicator of affluence within a school district. The higher the participation, the less affluent the population. From June 30, 2008 through June 30, 2012, students eligible to receive free or reduced priced lunches under the National Schools Lunch Program increased from 15% of the student population to 21% of the student population. There was a 2% increase between this audit year and the prior audit year.
- **Consumer Price Index**-The Consumer Price Index is a measure of the costs of goods and services. The purpose of the index is to document overall changes in prices for a period of time. A general measure is the annual average change between years ending December 31. The average increase in the CPI for the audit year was 3.2%. The CPI has increased at a rate faster than New Jersey's property tax cap of 2%.
- **Unemployment Rate**-Unemployment rate is a key indicator of the health of the economy. In 2008, New Jersey ranked number 30(50 was the worst), with a 5.5% unemployment rate. Currently, New Jersey ranks number 48 with a 9.8% unemployment rate. The record high unemployment rate occurred in December 1976, 10.7%. The record low rate occurred in July 2000, 3.6%. Source: U.S. Department of Labor: Bureau of Labor Statistics <http://www.bls.gov/web/laus/laumstrk.htm>. New Jersey's rank in comparison to other states became increasing worse over the past year moving from #36 to #48th lowest unemployment rate.
- **Ratable Base**-The ratable base represents the total value of taxable property in the municipality. From calendar year 2008 through calendar year 2012, the total value of taxable property in the municipality decreased by 6%. There was a 1.5% decrease between this audit year and the prior audit year. A decrease in the ratable base (taxable property) results in collecting fewer tax dollars given a set property tax rate (percentage). The result is that either the tax rate increases to keep tax collections constant or few taxes are requested, or a combination of both.
- **State Aid**- From audit year 2011 to audit year 2012 the district has gained 1,342,465 in State Aid. This increase was used to keep the local tax rate flat. The total aid available for budget purposes in 2012 was \$3,184,699. While aid did increase, it remains depressed below the 2004/2005 school year level of \$5,571,676..

The district's response to the problems posed by the economic climate was to become more focused on program and to achieve efficiencies wherever possible. For a full understanding of the qualitative nature of strategy, the reader should review the district's Strategic Plan. There are three major financial variables the district can influence, Revenue, Appropriations, and Fund Balance. Each variable is analyzed herein for the time period comprising the audit year.

Revenues:

Total actual revenues for the General Operating Fund for the 2011/2012 school year are outlined below in the district's audited revenue history. The 2011/2012 school year revenues saw a material increase in state aid. This aid was used as tax relief to the local tax base. Notice that the tax levy supporting the General fund remained decreased in comparison to the previous year.

Revenue Category	Actual 09/10	Actual 10/11	Actual 11/12
Tax Levy	57,936,065	58,341,587	57,383,635
Interest & Misc.	191,152	318,991	599,911
Budgeted Fund Balance	4,117,200	4,960,299	4,935,000
Tuition Revenue	189,186	17,412	56,516
Local Revenue	62,433,603	63,638,289	62,975,062
Trans. Aid	861,526		347,957
Sp. Ed. Aid	1,683,222	1,576,386	2,169,756
Extraordinary Aid	214,606	219,290	222,672
Supplemental Trans. Aid	38,370	46,558	40,349
Security Aid	248,386		403,965
Adjustment Aid	700,181		-
State Aid	3,746,291	1,842,234	3,184,699
Total Revenue	\$ 66,179,894	\$ 65,480,523	\$ 66,159,761

Revenue Category	09/10	10/11	11/12
Local Revenue	94%	97%	95%
State Aid	6%	3%	5%

Expenditures:

For the reader's consumption, the total expenditures for the school year ended June 30, 2012 of \$61,596,481 are presented below in two different formats for comparative purposes.

The "Budget by Program" table conforms to the typical reporting requirements of the State of New Jersey. This representation of the expenditure classifies expenditures in accordance with the instructional or support services program being supported.

There has been no material fluctuation between the proportions of costs by program. The only outlier that may be observed is the variations found in the district's Capital Outlay account. These funds are shown as expenditures but are actually paid back to the district Debt Service account from which the district pays long term debt.

The "Budget by Object" table classifies expenditures in accordance measures that a typical person would consider and answers the question, "What is being purchased."

One may note that 80% of the actual, audited, expenditures occur within the objects of Salaries, Substitutes, and Employee Benefits. One may also note that these costs have, with the exception of "Substitutes," remained stable over the past three years. Substitutes is a highly volatile cost center and is expected to fluctuate within the range associated with the audited figures.

Greater detail for each of these tables is provided online at www.LTPS.org, under the heading, "Budget Central."

The final "Available Balance and variance for budget purposes may be found in "Exhibit C 1".

BUDGET BY OBJECT	ACTUAL 09/10	ACTUAL 10/11	ACTUAL 11/12
Salaries/Wages	40,667,924	37,825,990	37,995,002
Substitutes	732,953	758,948	821,334
Employee Benefits	10,480,228	10,750,924	10,762,299
Professional Ed. Services	746,653	789,664	742,890
Maintenance & Rental Services	909,814	1,322,213	1,017,305
Utilities: Gas, Electric	1,279,126	1,132,680	902,443
Transportation Contracts	2,168,676	2,185,681	2,218,754
Tuition (Out of District)	1,733,528	1,240,279	1,248,546
Travel/Registrations (PD)	77,516	27,655	33,711
Non-Professional Services	446,641	456,664	522,364
Supplies/Textbooks	2,219,090	2,255,760	2,239,872
Miscellaneous	126,337	99,860	248,652
Capital Outlay/Construction	83,091	1,238,039	2,843,309
Capital Reserve	-	-	-
Total Budget by Object	61,671,576	\$ 60,084,357	\$ 61,596,481

BUDGET BY PROGRAM	ACTUAL 09/10	ACTUAL 10/11	ACTUAL 11/12
Regular Instruction	21,904,872	20,916,345	20,611,498
Regular Support Services	3,362,894	2,926,841	2,798,015
Special Education	5,394,167	5,061,933	5,020,093
Tuition	1,733,528	1,240,279	1,248,546
Special Ed. Support Services	3,693,917	3,383,719	3,514,971
Attnd/Hlth/Mdia	1,990,865	1,888,761	1,859,766
Administration	4,433,608	4,121,083	4,381,309
Security	342,471	361,508	425,998
Maint./Utilities	5,758,797	5,648,701	5,509,241
Employee Benefits:	10,480,226	10,750,924	10,762,299
Transportation:	2,493,137	2,546,224	2,621,435
Capital Outlay:	83,091	1,238,039	2,843,309
Capital Reserve	-	-	-
Total Budget by Program	61,671,574	\$ 60,084,357	\$ 61,596,481

Fund Balance (Surplus):General Operating Fund

The variances in the Revenues and Expenditures sections of the CAFR are combined at year end closing into the district's fund balance(surplus) to determine the new level of fund balance.

The district strives to maintain a surplus that protects cash flow, maintains tax rate stability, and provides adequate funds in the case of emergencies.

Surplus is used to protect cash flow in times when revenue collections are untimely. Untimely revenue collections can occur due to late tax payments or late state aid payments. In times of late revenue payments to the district, the district uses its surplus to on a temporary basis to pay obligations until it receives its current revenue. The district's current surplus listed below is less than one month's operating expenditures. For purposes of example, one month's payroll is \$3,900,000 (October 2012). For the Year ending June 30, 2012, the district has surplus equaling \$2,413,908, of which, \$912,745 must be designated as tax relief in 2013/2014.

Surplus is also used to maintain tax rate stability. Surplus generated by the district is used to offset tax requirements in subsequent years. The following table illustrates the amount of surplus used as a revenue source over the course of years:

School Year	To General Operations	To Capital Reserve	To Construction
2009/2010	\$ 1,416,348	\$ 2,700,852	
2010/2011	\$ 1,578,299	\$ 482,000	
2011/2012	\$ 1,600,000	\$ 1,095,000	
2012/2013	\$ 1,401,000	\$ 1,999,000	\$ 750,000

As listed in the table above, surplus funds used as revenue are classified in three manners: first, for ongoing operations, and second, for deposit into the district's Capital Reserve and finally for construction purposes. It is critical that the district uses surplus consistently and methodically. Careful management of the amounts used for General Operations prevent radical increases and decreases in the need for taxes. The amounts deposited in the district's Capital Reserve Fund are used for two purposes: first, to pay the mortgage on existing debt, and second, to pay the direct cost of ongoing construction expenditures, i.e. new roofs, telephone systems, fiber optic installations, new track. Using the surplus in a strategic manner allows the district to avoid having to increase debt and therefore tax rate.

Source: Note 11

Key Financial highlights for the past fiscal year for the Debt Service Fund are as follows:

Debt Administration

At June 30, 2012, the School District had \$36,706,000 in outstanding debt. This amount decreased from \$39,766,000 in outstanding net bonded debt for the year ended June 30, 2011. Net bonded debt includes only the principal portion of outstanding long term bonded debt. The following issues remain open until their respective maturity dates:

Referendum	Balance Remaining	Maturity
Technology	\$553,000	2013
Early Retirement	\$1,410,000	2016
Windows, Roofs, Asbestos	\$5,355,000	2017
Alterations and Additions	\$19,640,000*	2023
Photovoltaic Installation	\$9,748,000*	2028

* The district receives Debt Service Aid on these projects in the amount of 40% of the principal and interest.

In 2011 the Board of Education refinanced the “Alterations and Additions” referendum for a total savings of \$899, 000.

Business-Type Activities: Enterprise Funds

The Lawrence Township Public Schools aggressively pursues the use of Enterprise Funds to offset increasing reliance on local taxes to underwrite district programs. Enterprise funds are business ventures conducted by the school district. Each enterprise is a fee based program/service provided by the district. The intent of each program is to provide a service for a given fee. Each enterprise undertaken provides a primary service to the customer and supports the district’s mission. As such, the district channels all profits from enterprise funds back into each specific program in a manner which will benefit the program and the schools as a whole. Enterprise funds may not report a material profit. Given this constraint to “breakeven”, the school district makes the reinvestment of anticipated profit at year end thereby showing little profit or net assets for the reportable period ending June 30.

The reader of this schedule is encouraged to read more deeply into the Board Secretary’s Reports, specifically the Budget Reports with Purchase Order detail, to appreciate the full measure of service these enterprises provide.

As reported in Exhibit B-5, the District’s business-type activities were comprised of charges for services and federal and state reimbursements. Revenue of Business Type activities directly offsets the need to raise property taxes. The reader of this section of the audit (Exhibit B-5) should be careful to note that while the audit contains a line for “Operating Income (Loss)”, it does not contain a line for “Budgeted Fund Balance” which, in all cases for Lawrence Township Public Schools, offsets any loss.

The most reliable method of reading Exhibit B is to focus on the bottom line, Net Assets.

Source: Audit Exhibit B-5

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District. This figure includes secretarial staff.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

Initiatives for Budget Savings:

Shared Services and Cooperative Relationships-

In addition to new initiatives, the School District practices measures to contain costs throughout all spectrums of services currently rendered.

The district participates in a joint purchasing agreement with over 200 New Jersey School districts for supplies and minor construction services. The use of cooperative pricing systems has greatly increased over the past three years and now includes: Mercer County Cooperative Pricing System, Middlesex Regional Educational Services Commission Cooperative Pricing System, Morris County Educational Services Cooperative Pricing System, Mercer County Special Services School District Cooperative Pricing System, The State of New Jersey's cooperative pricing system, "State Contract". The district also participates in separate state-wide consortiums for the purchase of electricity, natural gas, and long distance telephone. Locally, the district participates in transportation consortiums organized by Mercer County Coordinated Transportation Services. Transportation ventures are also undertaken between LTPS and other school districts through direct contracting. In addition to joint and cooperative purchasing initiatives, the district uses the internet to solicit quotes from vendors across the nation to achieve the best prices for items not purchased through its consortiums.

The Lawrence Township Public Schools has become a leader of shared services within Mercer County. For three years, in conjunction with Hopewell Township Schools, LTPS has organized districts from Mercer, Hunterdon, and Burlington counties for mandatory safety training for its non-certified custodial and maintenance staff. The district leads an effort that trains over 400 people on an annual basis. The district continues to meet with various school districts and county government personnel concerning shared technology systems, expertise, and personnel. The district's shared services endeavors are being extended to include telephone systems maintenance with regional governmental entities and corporate interests. Finally, the district now meets routinely in forums with Mercer County and their Shared Services Coordinator for the purpose of identifying opportunities to share expertise and save taxpayer dollars.

Finally, the school district has a long standing relationship of shared services with the local municipal government. The local municipality and school district assist one another to provide the residents of Lawrence Township with services that make Lawrence Township unique. The district maintains the indoor pool at Lawrence High School and the municipal government staff the facilities with life guards for after school hours use by the community. The District also houses both the adult "Night Programs" and the "Summer Programs" operated by the Township's Recreation Department. Throughout the year, the District also provides facilities to the residents of Lawrence Township for special community wide functions.

Until the year ending June 30, 2010, the Township provided the District with School Resource Officers (SRO). The SRO's were uniformed police officers that specialized in juvenile issues. These officers assisted students and the school district by developing relationships with students and staff for the purpose of developing community. The relationships developed by the SRO's were essential in preempting problems. The Lawrence Township Police Department continues to be an exceptional presence in our schools despite the loss of the SRO's. The LTPD assists with each of our schools safety drills that occur multiple times in each building during the school year. Additionally the LTPD and LTBOE meet annually to formally review the official relationship between the two organizations. This renewed relationship is documented in a treatise named the "Memorandum of Understanding".

The district's Facilities Department and municipality's Public Works Department work closely with one another throughout the school year. The two units share both equipment and resources. The PWD provides the district with salt during snow storms while the district plows its own lots. Both organizations shall grounds maintenance tools.

Grants and Cooperative Relationships-

In addition to the mercenary concerns of the district, the district also endeavors to cooperate with partners for the sharing of expertise in all areas of education. Lawrence Township Public Schools has partnerships with Rider University, The College of New Jersey, Educational Testing Services, Carolina Biological, All Mercer County School Districts, DuPont, Clemson University, Princeton University, Bristol Meyers Squibb, Eggerts Crossing Village, and the Lawrence Neighborhood Service Center.

Coupled with the endeavors undertaken with the partners listed, are the variety of grants issued to the school district by the Lawrence Township Education Foundation. Annually the Lawrence Township Education Foundation provides seed money for special projects. Annually the district receives in excess of \$100,000.00 from the foundation. The foundation continues to contribute to the effectiveness of our district by funding opportunities for our teachers to explore instructional and affective skills projects for the benefit of Lawrence Township Public Schools and the community of Lawrence Township.

Specific to the 2009/2010 school year, the Lawrence Township Public Schools has received a \$1.4 million grant entitled “Teaching and Learning with Essential New Technologies in the 21st Century (Talent21)” from the New Jersey Department of Education, funded by the American Recovery and Reinvestment Act.

Beginning in June 2010 and extending over a two-year period, the grant will help to establish 21st century learning environments in grades six and seven that blend physical and digital infrastructures to seamlessly support learning. Students will experience a 1:1 mobile device, more technology access during and after school, use of Web Tools 2.0, and online collaboration.

About one-fourth of the grant is dedicated to professional development for teachers to train them on making the best use of the devices and integrating them into the curriculum.

These two large grant sources are supplemented throughout the year with various competitive grants received because of the work of staff members that seize upon grant opportunities that fit within the district’s strategic plan.

Enterprise Funds-

In addition to grants and shared services the district continued its successful operation of enterprise funds. Enterprise funds are fee based businesses operated by the district to serve express purposes. While the enterprise funds are not allowed to exist to make a profit, they can assist in paying for overhead costs that serve their purpose as well as those costs typically funded by the district during normal operations. Currently the district operates the following enterprise funds: Extended Day Program, Cafeteria Program, Educational Technology and Training Center, Professional Development Academy, Reading Recovery Training Center, Driver’s Education, Building Use Program. At the conclusion of the 2009/2010 school year, the district ceased to operate the Extended Day program and instead leased the space for a fee to an outside organization. The revenue from the lease will be used to offset local property taxes.

Internal Controls:

The Business Administrator of the district is responsible for establishing and maintaining an internal control structure designed to ensure that assets of the district are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the district management.

As part of the district's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

Budgetary Controls:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations in the fund balance at June 30.

Accounting Systems & Reports:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

Cash Management:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management:

The Board carries various forms of insurance, including but not limited to, general liability; automobile liability and comprehensive/collision; hazard and theft insurance on property and contents; and fidelity bonds. The Insurance schedule for the fiscal year is prepared by G.R. Murray Insurance, Division of O'Gorman & Young Inc., Princeton, NJ. The insurance schedule for the reportable year is listed in the Statistical Section of the CAFR.

Independent Audit:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A Hulsart and Company was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984 and other related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements that combines individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report, or need additional information, please contact Thomas Eldridge, Business Administrator, 2565 Princeton Pike, Lawrenceville, NJ 08648. Telephone calls are welcome at 609-671-5420.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

STATEMENT OF NET ASSETS**Exhibit A-1****JUNE 30, 2012**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 792,621	249,522	1,042,143
Receivables, Net	1,166,742	39,064	1,205,806
Inventory		35,532	35,532
Restricted Assets:			
Cash and Cash Equivalents	7,046,822		7,046,822
Capital Reserve Account - Cash	2,847,117		2,847,117
Capital Assets-Non-Depreciable	79,592,101		79,592,101
Capital Assets-Depreciable-Net	56,640,190	290,159	56,930,349
Total Assets	<u>148,085,593</u>	<u>614,277</u>	<u>148,699,870</u>
<u>Liabilities</u>			
Accounts Payable	182,508	81,670	264,178
Accrued Interest	566,084		566,084
Deferred Revenue	497,543		497,543
Noncurrent Liabilities:			
Due Within One Year	3,200,000		3,200,000
Due Beyond One Year	35,059,433		35,059,433
Total Liabilities	<u>39,505,568</u>	<u>81,670</u>	<u>39,587,238</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	99,526,291	290,159	99,816,450
Restricted For:			
Debt Service	262,576		262,576
Special Revenue	(8,342)		(8,342)
Capital Projects	373,700		373,700
Other Purposes	9,245,361		9,245,361
Unrestricted	<u>(819,561)</u>	<u>242,448</u>	<u>(577,113)</u>
Total Net Assets	<u>\$ 108,580,025</u>	<u>532,607</u>	<u>109,112,632</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 17,601,208			(17,601,208)		(17,601,208)
Special Education	7,678,549	2,658,456		(5,020,093)		(5,020,093)
Other Special Instruction	2,206,502			(2,206,502)		(2,206,502)
Other Instruction	927,101			(927,101)		(927,101)
Support Services:						
Tuition	1,237,966			(1,181,450)		(1,181,450)
Student & Instruction Related Services	8,936,218	844,550		(8,091,668)		(8,091,668)
School Administrative Services	733,687			(733,687)		(733,687)
General and Business Administrative Services	3,647,622			-		-
Plant Operations and Maintenance	5,821,565			(3,647,622)		(3,647,622)
Pupil Transportation	2,621,435			(5,821,565)		(5,821,565)
Business and Other Support Services	15,834,797			(2,621,435)		(2,621,435)
Transfer To Charter Schools	10,580			(15,834,797)		(15,834,797)
Interest on Long-Term Debt	1,541,269			(10,580)		(10,580)
Jobs Education	168,694	168,694		(1,541,269)		(1,541,269)
Unallocated Depreciation	3,831,471			-		-
Total Government Activities	72,798,664	3,671,700	-	(3,831,471)		(3,831,471)
	56,516	3,671,700	-	(69,070,448)	-	(69,070,448)
Business-Type Activities:						
Proprietary Funds	1,929,637	1,096,310			(376,868)	(376,868)
Total Business-Type Activities	1,929,637	1,096,310	-	-	(376,868)	(376,868)
Total Primary Government	74,728,301	4,128,159	-	(69,070,448)	(376,868)	(69,447,316)

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes			
Property Taxes, Levied for General Purpose, Net	57,383,635		57,383,635
Taxes Levied for Debt Service	1,987,151		1,987,151
Federal and State Aid Not Restricted	8,887,366		8,887,366
Other	1,491,774		1,491,774
Miscellaneous Income	1,224,929		1,224,929
Total General Revenues, Special Items, Extraordinary Items and Transfers	70,974,855	-	70,974,855
Change in Net Assets	1,904,407	(376,868)	1,527,539
Adjustments:			
Fixed Assets and Refunding	(2,096,527)		(2,096,527)
Net Assets - Beginning	108,772,145	909,475	109,681,620
Net Assets - Ending	\$ 108,580,025	532,607	109,112,632

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET**GOVERNMENTAL FUNDS****JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents-Restricted	\$10,036,982	13,302	373,998	262,278	10,686,560
Receivables, Net	581,035	585,707			1,166,742
Interfund Receivable				298	298
Total Assets	<u>\$10,618,017</u>	<u>599,009</u>	<u>373,998</u>	<u>262,576</u>	<u>11,853,600</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts Payable	\$ 72,700	109,808			182,508
Interfund Payable			298		298
Deferred Revenue		497,543			497,543
Total Liabilities	<u>72,700</u>	<u>607,351</u>	<u>298</u>	<u>-</u>	<u>680,349</u>
Fund Balance:					
Restricted for:					
Excess Surplus	912,745				912,745
Excess Surplus - Designated for Subsequent Year's Expenditures	1,283,198				1,283,198
Committed To:					
Maintenance Reserve	400,000				400,000
Emergency Reserve	200,000				200,000
Designated for Subsequent Years Expenditures-Capital Reserve	1,500,000				1,500,000
Capital Reserve Account	1,347,117				1,347,117
Assigned To:					
Other Purposes	735,499		220,380		955,879
Designated By The BOE for Subsequent Years Expenditures	2,866,802				2,866,802
Capital Fund			153,320		153,320
Debt Service Fund				262,576	262,576
Unassigned:					
General Fund	1,299,956	(8,342)			1,291,614
Total Fund Balances	<u>10,545,317</u>	<u>(8,342)</u>	<u>373,700</u>	<u>262,576</u>	<u>11,173,251</u>
Total Liabilities and Fund Balance	<u>\$10,618,017</u>	<u>599,009</u>	<u>373,998</u>	<u>262,576</u>	

Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$167,718,410 and the accumulated depreciation is \$31,486,119.

136,232,291

Accrued Interest

(566,084)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 3)

(38,259,433)

Net assets of governmental activities

\$ 108,580,025

The accompanying Notes to Financial Statements are an integral part of this statement.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

**Exhibit B-2
Sheet 1 of 2**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 57,383,635			1,987,151	59,370,786
Tuition Charges	56,516				56,516
Capital Reserve				1,500,000	1,500,000
Miscellaneous	599,911	294,547	298	624,720	1,519,476
Total Local Sources	58,040,062	294,547	298	4,111,871	62,446,778
State Sources	8,168,610	720,427		673,859	9,562,896
Federal Sources	213,591	2,488,032			2,701,623
Total Revenues	66,422,263	3,503,006	298	4,785,730	74,711,297
<u>Expenditures</u>					
Current:					
Regular Instruction	17,477,895				17,477,895
Special Education Instruction	5,020,093	2,658,456			7,678,549
Other Special Instruction	2,206,502				2,206,502
Other Instruction	927,101				927,101
Support Services and Undistributed Costs:					
Tuition	1,237,966				1,237,966
Student and Instruction Related Services	8,172,754	763,464			8,936,218
General Administrative Services	733,687				733,687
Other Administrative Services	3,647,622				3,647,622
Plant Operations and Maintenance	5,821,565				5,821,565
Pupil Transportation	2,621,435				2,621,435
Unallocated Benefits	15,834,797				15,834,797
Debt Service:					
Principal				3,060,464	3,060,464
Interest and Other Charges				1,601,667	1,601,667
Transfer To Charter schools	10,580				10,580
Capital Outlay	2,843,309	85,315			2,928,624
Education Jobs	168,694				168,694
Total Expenditures	66,724,000	3,507,235	-	4,662,131	74,893,366

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit B-2
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	<u>(301,737)</u>	<u>(4,229)</u>	<u>298</u>	<u>123,599</u>	<u>(182,069)</u>
Other Financing Sources (Uses):					
Prior Year Adjustment to Recognized State Aid		(8,226)			(8,226)
Capital Projects to Debt Service			(298)	298	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(8,226)</u>	<u>(298)</u>	<u>298</u>	<u>(8,226)</u>
Net Change in Fund Balances	<u>(301,737)</u>	<u>(12,455)</u>	<u>-</u>	<u>123,897</u>	<u>(190,295)</u>
Fund Balance - July 1	<u>10,847,054</u>	<u>4,113</u>	<u>153,320</u>	<u>138,679</u>	<u>11,143,166</u>
Fund Balance - June 30	<u>\$ 10,545,317</u>	<u>(8,342)</u>	<u>153,320</u>	<u>262,576</u>	<u>10,952,871</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ (190,295)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	(3,831,471)	
Capital Outlays	<u>2,928,624</u>	
		(902,847)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		3,060,464
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due. The accrued interest is an addition in the reconciliation.		60,398
Compensated Absences		<u>(123,313)</u>
Change in Net Assets of Governmental Activities		<u>\$ 1,904,407</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF NET ASSETS

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2012

	Business-type Activities Enterprise Fund
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 249,522
Accounts Receivable:	
State	1,045
Federal	27,567
Miscellaneous	10,452
Inventory	35,532
Total Current Assets	<u>324,118</u>
Noncurrent Assets:	
Equipment	546,990
Accumulated Depreciation	(256,831)
Total Noncurrent Assets	<u>290,159</u>
Total Assets	<u><u>\$ 614,277</u></u>
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	<u>\$ 81,670</u>
Total Liabilities	<u><u>\$ 81,670</u></u>
<u>Net Assets</u>	
Investment in Capital Assets	\$ 290,159
Unrestricted	<u>242,448</u>
Total Net Assets	<u><u>\$ 532,607</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETSPROPRIETARY FUNDSJUNE 30, 2012

	Business-type Activities Enterprise Fund
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs:	
School Lunch Program	\$ 882,663
Fees	213,647
Total Operating Revenues	<u>1,096,310</u>
Operating Expenses:	
Salaries & Benefits	583,823
Supplies and Materials	107,373
Cleaning, Repairs & Maintenance	69,300
Depreciation	61,453
Insurance	23,011
Miscellaneous	403,601
Cost of Purchased Services	646,396
Management Fee	34,680
Total Operating Expenses	<u>1,929,637</u>
Operating Income (Loss)	<u>(833,327)</u>
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	14,925
Federal Sources:	
National School Lunch Program	357,078
School Breakfast Program	15,402
Commodities	69,054
Total Non-Operating Revenues	<u>456,459</u>
Net Income (Loss)	(376,868)
Net Assets, July 1	<u>909,475</u>
Net Assets, June 30	<u><u>\$ 532,607</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF CASH FLOWSPROPRIETARY FUNDSJUNE 30, 2012

	Business-type Activities Enterprise Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,096,310
Payments for Salaries	(583,823)
Payments for Other Costs	(1,189,737)
Net Cash Used By Operating Activities	<u>(677,250)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received From State and Federal Reimbursements	<u>387,405</u>
Net Cash Provided Noncapital Financing Activities:	<u>387,405</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(289,845)
Cash and Cash Equivalents, July 1	<u>539,367</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 249,522</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (833,327)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	61,453
Commodities	69,054
Decrease/(Increase) in Inventory	1,167
(Increase)/Decrease in Accounts Receivable	33,643
Increase/(Decrease) in Accounts Payable	(9,240)
Net Cash Used By Operating Activities	<u><u>\$ (677,250)</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

Exhibit B-7

FIDUCIARY FUNDS

JUNE 30, 2012

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund	Summer Savings
Assets:				
Cash and Cash Equivalents	\$ 200,853	39,905	348,583	871,286
Total Assets	<u>\$ 200,853</u>	<u>39,905</u>	<u>348,583</u>	<u>871,286</u>
Net Assets:				
Accrued Salaries - Summer Savings	\$ -			871,286
Payroll Deductions and Withholdings			348,583	
Held in Trust for Unemployment Claims and Other Purposes	200,853	39,905		
Reserved for Scholarships				
Total Net Assets	<u>\$ 200,853</u>	<u>39,905</u>	<u>348,583</u>	<u>871,286</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Exhibit B-8

FIDUCIARY FUNDSFOR THE YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<u>Additions</u>		
Contributions:		
Other	\$ 112,603	70
Total Contributions	<u>112,603</u>	<u>70</u>
Investment Earnings:		
Interest	13	
Net Investment Earnings	<u>13</u>	<u>-</u>
Total Additions	<u>112,616</u>	<u>70</u>
<u>Deductions</u>		
Unemployment Claims	31,915	
Scholarships Awarded		3,026
Total Deductions	<u>31,915</u>	<u>3,026</u>
Change in Net Assets	80,701	(2,956)
Net Assets - Beginning of the Year	<u>120,152</u>	<u>42,861</u>
Net Assets - End of the Year	<u>\$ 200,853</u>	<u>39,905</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Lawrence Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Lawrence Township School District is a Type II district located in the County of Mercer, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades PreK-12. The Lawrence Township School District had an approximate enrollment at June 30, 2012 of 4,002 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is whether:

- The organization is legally separate (can sue or be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial/benefit/burden on the District
- There is a fiscal dependency by the organization on the District

B. Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the local tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Proprietary Fund Type

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Nonexpendable Trust Fund: A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Expendable Trust Fund: An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and scholarship funds.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2012 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

F. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

NOTE 1: Summary of Significant Accounting Policies (Continued)

G. Short-Term Interfund Receivables/Payables:

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for good or services rendered to/from a particular fund in the District and that are due within one year.

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

I. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District performed an in-house asset valuation during the 2004 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2002-2003 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2003, fiscal year 2003 depreciation expense, total accumulated depreciation and book values were also provided. The records have updated annually through June 30, 2011. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

Capital asset activity for the year ended June 30, 2012 was as follows:

NOTE 1: Summary of Significant Accounting Policies (Continued)I. Capital Assets and Depreciation (Continued)

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>
Governmental Activities:					
Capital Assets That are Not Being Depreciated:					
Land	\$ 32,622,900				32,622,900
Construction in Progress	<u>45,880,570</u>	<u>1,088,631</u>	<u> </u>	<u> </u>	<u>46,969,201</u>
Total	<u>78,503,470</u>	<u>1,088,631</u>	<u> </u>	<u> </u>	<u>79,592,101</u>
Depreciable Assets:					
Buildings	74,717,386				74,717,386
Machinery & Equipment	<u>13,326,173</u>	<u>82,750</u>	<u> </u>	<u> </u>	<u>13,408,923</u>
Total	<u>88,043,559</u>	<u>82,750</u>	<u> </u>	<u> </u>	<u>88,126,309</u>
Less: Accumulated Depreciation:					
Buildings	(18,386,251)	(2,490,579)			(20,876,830)
Machinery & Equipment	<u>(9,268,397)</u>	<u>(1,340,892)</u>	<u> </u>	<u> </u>	<u>(10,609,289)</u>
Total Accumulated Depreciation	<u>(27,654,648)</u>	<u>(3,831,471)</u>	<u> </u>	<u> </u>	<u>(31,486,119)</u>
Net Depreciable Assets	<u>60,388,911</u>	<u>(3,748,721)</u>	<u> </u>	<u> </u>	<u>56,640,190</u>
Governmental Activities Capital Assets (Net)	<u>\$ 138,892,381</u>	<u>(2,660,090)</u>	<u> </u>	<u> </u>	<u>136,232,291</u>

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years'</u> <u>Accumulated</u> <u>Depreciation</u>	<u>Current Year</u> <u>Depreciation</u> <u>Expense</u>	<u>Adjustments</u>	<u>Total</u> <u>Accumulated</u> <u>Depreciation</u>
Instruction	\$ 1,900,492	1,226,071		3,126,563
Support Services	1,112,634	574,720		1,687,354
Unallocated	<u>19,417,576</u>	<u>2,030,680</u>	<u> </u>	<u>21,448,256</u>
	<u>\$ 22,430,702</u>	<u>3,831,471</u>	<u> </u>	<u>26,262,173</u>

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>
Business-Type Activities:				
Equipment	\$ 546,990			546,990
Less: Accumulated Depreciation:				
Equipment	<u>(195,378)</u>	<u>(61,453)</u>	<u> </u>	<u>(256,831)</u>
Business-Type Capital Assets (Net)	<u>\$ 351,612</u>	<u>(61,453)</u>	<u> </u>	<u>290,159</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)**J. Compensated Absences**

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

K. Deferred Revenue

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 9).

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)**Deposits (Continued)**

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2012, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 12,571,056</u>

During the period ended June 30, 2012, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2012 was \$12,571,056 and the bank balance was \$14,622,282. Of the bank balance, \$250,000 was covered by federal depository insurance and \$14,372,282 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

FDIC	\$ 250,000
GUPDA	14,372,282

As of June 30, 2012, the District did not hold any long-term investments.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2012, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Long-Term</u> <u>Portion</u>	<u>2012-13</u> <u>Payment</u>
Compensated Absences Payable	\$ 1,430,120	123,313		1,553,433	1,553,433	
Bonds Payable	<u>40,525,000</u>	<u> </u>	<u>3,819,000</u>	<u>36,706,000</u>	<u>33,506,000</u>	<u>3,200,000</u>
Total	<u>\$ 41,955,120</u>	<u>123,313</u>	<u>3,819,000</u>	<u>38,259,433</u>	<u>35,059,433</u>	<u>3,200,000</u>

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are of general obligation bonds.

1. Technology improvements and renovations for \$7,853,000 at 4.40% interest with a balance of \$553,000 maturing 7-15-13.
2. School additions on 3-1-03 for \$27,564,000 at 3.6% to 4.4% with a balance of \$1,240,000 maturing 3/1/13.
3. Refunding pension bonds for \$3,270,000 at 1.5% to 5.3% interest with a balance of \$1,440,000 maturing 7-15-16.
4. School improvements for \$9,800,000 at 3.75% to 4.00% interest with a balance of \$5,355,000 maturing 3-1-17.
5. Solar improvements for \$10,508,000 at 4.125% to 4.375% interest with a balance of \$9,748,000 maturing 7/15/28.
6. Refunding issue of 3/1/12 for \$18,450,000 at 2% to 4% maturing 3/1/23 with a balance of \$18,400,000 at 6/30/12.

NOTE 3: General Long-Term Debt (Continued)

Principal and interest due on serial bonds outstanding is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2013	\$ 3,200,000	1,484,440	4,684,440
2014	3,343,000	1,357,913	4,700,913
2015	3,065,000	1,227,480	4,292,480
2016	3,195,000	1,107,350	4,302,350
2017	3,770,000	981,542	4,751,542
2018-2022	12,930,000	3,323,885	16,253,885
2023-2027	5,670,000	822,688	6,492,688
2028-2029	<u>1,533,000</u>	<u>67,791</u>	<u>1,600,791</u>
	<u>\$ 36,706,000</u>	<u>10,373,088</u>	<u>47,079,088</u>

NOTE 4: Pension Plans

Description of Plans – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

NOTE 4: Pension Plans (Continued)

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

NOTE 4: Pension Plans (Continued)

<u>Three-Year Trend Information for PERS</u>			
Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/12	\$ 901,221	100%	\$ 0
6/30/11	857,282	100%	0
6/30/10	665,438	100%	0

<u>Three-Year Trend Information for TPAF (Paid On-Behalf of the District)</u>			
Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/12	\$ 2,978,726	100%	\$ 0
6/30/11	2,106,148	100%	0
6/30/10	1,982,178	100%	0

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$2,978,726 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,148,793 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 24.

NOTE 5: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

NOTE 6: Deferred Compensation

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Equitable
Lincoln
Met Life
Valic
Legend

NOTE 7: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current year and previous year:

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2011-2012	\$ 13*	112,603	31,915	200,853
2010-2011	123*	140,250	146,314	120,152
2009-2010	268*	84,826	43,692	126,343

*Interest

NOTE 8: Capital Reserve Account

A capital reserve account was established by the Township of Lawrence Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

NOTE 8: Capital Reserve Account (Continued)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$ 3,845,298
Deposits:	
Resolution of the Board	1,241,818
Withdrawal to Debt Service	(1,500,000)
Withdrawal to Capital Outlay	<u>(740,000)</u>
Ending Balance, June 30, 2012	<u>\$ 3,847,117</u>

NOTE 9: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2012.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Debt Service	298	
Capital Projects		298

NOTE 10: Fund Balance Appropriated

General Fund – Of the \$10,746,522 General Fund fund balance at June 30, 2012, \$735,499 is reserved for encumbrances; \$2,866,802 has been appropriated and included as anticipated revenue for the year ending June 30, 2013; \$1,283,198 is excess surplus designated for subsequent year's expenditures; \$912,745 is excess surplus; \$2,847,117 is in Capital Reserve, \$2,240,000 is designated for withdrawal in 2011-12; \$200,000 is in Emergency Reserve, \$400,000 is in Maintenance Reserve; \$1,501,161 is unreserved and undesignated.

NOTE 11: Calculation of Excess Surplus

In accordance with *N.J.S.A. 18A:7F-7*, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget.

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2012-2013 budget and expended there from.

NOTE 11: Calculation of Excess Surplus (Continued)

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Lawrence Township at June 30, 2012 had an excess surplus of \$912,745, (see calculation below).

Unreserved is surplus not previously committed or reserved for any other purpose.

The calculation of reserved excess surplus is as follows:

2% Calculation of Excess Surplus

2011-12 Total General Fund Expenditures Per the CAFR	\$ 66,724,000
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(5,127,519)</u>
Adjusted 2011-12 General Fund Expenditures	<u>\$ 61,596,481</u>
2% of Adjusted 2011-12 General Fund Expenditures	\$ 1,231,930
Increased by: Allowable Adjustment	<u>269,231</u>
Maximum Unassigned Fund Balance	<u>\$ 1,501,161</u>

Section 2

Total General Fund – Fund Balance @ 6-30-12	\$ 10,746,522
Decreased by:	
Reserved for Encumbrances	(735,499)
Designated for Subsequent Year's Expenditures – Excess Surplus	(1,283,198)
Designated for Subsequent Year's Expenditures	(2,866,802)
Other Reserves	<u>(3,447,117)</u>
Total Unassigned Fund Balance	<u>\$ 2,413,906</u>
Excess Surplus	<u>\$ 1,358,370</u>

Section 3

Excess Surplus Current Year	\$ 912,745
Designated for Subsequent Years Expenditures – Excess Surplus	<u>1,283,198</u>
	<u>\$ 2,195,943</u>

Detail of Allowable Adjustments

Extraordinary Aid	\$ 222,672
Non-Public Transportation Aid	<u>46,559</u>
	<u>\$ 269,231</u>

NOTE 11: Calculation of Excess Surplus (Continued)**Detail of Other Restricted Fund Balance**

Maintenance Reserve	\$ 400,000
Emergency Reserve	200,000
Capital Reserve	<u>2,847,117</u>

Total Other Restricted Fund Balance	<u>\$ 3,447,117</u>
-------------------------------------	---------------------

NOTE 12: Section 125 IRS Code (Cafeteria Plan)

Effective 10/1/99 the Board, according to negotiated agreements with the various approved implementation of the IRS Code Section 125 “Cafeteria Plan”, each year each employee makes an election to either receive Health Benefits under the Board’s coverage or on electing not to receive benefits to receive a cash payment equal to 25% of the premium cost for the plan last in effect for the participant.

NOTE 13: Contingent Liabilities

The Board is not involved in any claims and lawsuits incidental to its operations, in the opinion of the administration and its legal counsel.

NOTE 14: Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District’s programs and activities.

NOTE 15: Current Expense Emergency Reserve Account

The reserve account is to be used to finance future unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable. The emergency reserve balance may not exceed \$250,000 or 1% of the district’s general fund budget up to a maximum of \$1,000,000 whichever is greater. Withdrawals require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health costs greater than four percent.

NOTE 16: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2012. The adoption of FASB ASC 105 did not impact the District’s financial position or results of operations.

NOTE 16: Significant Accounting Pronouncements (Continued)

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2012 through November 14, 2012.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES – C

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	\$ 57,383,635		57,383,635	57,383,635	-
Tuition			-	56,516	56,516
Interest on Investments	5,000		5,000	1,201	(3,799)
Miscellaneous	104,000		104,000	598,710	494,710
Total Local Sources	<u>57,492,635</u>	<u>-</u>	<u>57,492,635</u>	<u>58,040,062</u>	<u>547,427</u>
State Sources:					
Special Education Aid	2,169,756		2,169,756	2,169,756	-
Security Aid	79,276		79,276	403,965	324,689
Transportation Aid				347,957	347,957
Extraordinary Aid			-	222,672	222,672
Non Public Transportation Aid			-	40,349	40,349
On Behalf TPAF Pension Contributions					
(Non-Budgeted)			-	2,978,726	2,978,726
Reimbursed TPAF Social Security					
Contributions (Non-Budgeted)			-	2,148,793	2,148,793
Total State Sources	<u>2,249,032</u>	<u>-</u>	<u>2,249,032</u>	<u>8,312,218</u>	<u>6,063,186</u>
Federal Sources:					
Education Jobs Fund	163,570	5,124	168,694	168,694	-
Medicaid Reimbursement	31,714		31,714	44,897	13,183
Total Federal Sources	<u>195,284</u>	<u>5,124</u>	<u>200,408</u>	<u>213,591</u>	<u>13,183</u>
Total Revenues	<u>59,936,951</u>	<u>5,124</u>	<u>59,942,075</u>	<u>66,565,871</u>	<u>6,623,796</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Preschool-Salaries of Teachers	111,401	16,002	127,403	119,208	8,195
Kindergarten-Salaries of Teachers	940,664	(15,276)	925,388	897,334	28,054
Grades 1-5-Salaries of Teachers	6,501,899	(301,999)	6,199,900	6,068,043	131,857
Grades 6-8-Salaries of teachers	3,176,638	(50,479)	3,126,159	2,992,148	134,011
Grades 9-12-Salaries of teachers	5,273,574	185,232	5,458,806	5,386,676	72,130
Regular Programs Undistributed - Instruction:					
Other Salaries for Instruction	620,899	42,864	663,763	638,373	25,390
Purchased Professional/Educational Services	26,200		26,200	23,310	2,890
Other Purchased Services	124,970	(26,787)	98,183	61,039	37,144
General Supplies	1,173,439	162,771	1,336,210	1,166,006	170,204
Textbooks	125,915	(36,430)	89,485	89,223	262
Other Objects	9,135	168	9,303	7,676	1,627
Home Instruction:					
Teachers Salaries	52,000	(16,424)	35,576	10,150	25,426
Purchased Professional/Educational Services	18,000	4,176	22,176	18,709	3,467
Total Regular Programs-Instruction	<u>18,154,734</u>	<u>(36,182)</u>	<u>18,118,552</u>	<u>17,477,895</u>	<u>640,657</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	122,069	6,410	128,479	128,470	9
Other Salaries For Instruction	29,788	229	30,017	30,017	-
General Supplies	1,900	800	2,700	2,628	72
Textbooks	800	(800)	-		-
Total Behavioral Disabilities	154,557	6,639	161,196	161,115	81
Multiple Disabilities:					
Salaries of Teachers	761,714	(4,349)	757,365	717,307	40,058
Other Salaries for Instruction	339,604	6,243	345,847	338,136	7,711
General Supplies	11,693	842	12,535	11,215	1,320
Textbooks	702	(197)	505	505	-
Total Multiple Disabilities	1,113,713	2,539	1,116,252	1,067,163	49,089
Resource Room/Resource Center:					
Salaries of Teachers	2,939,641	(118,036)	2,821,605	2,777,082	44,523
Other Salaries for Instruction	454,846	12,225	467,071	451,305	15,766
Purchased Professional Educational Services		13,000	13,000	12,938	62
General Supplies	19,785	1,047	20,832	19,507	1,325
Textbooks	3,004	(1,865)	1,139	1,139	-
Total Resource Room/Resource Center	3,417,276	(93,629)	3,323,647	3,261,971	61,676
Preschool Disabilities - Part-Time:					
Salaries of Teachers	217,932	3,856	221,788	218,116	3,672
Other Salaries for Instruction	121,819	775	122,594	115,435	7,159
General Supplies	6,350		6,350	6,254	96
Total Preschool Handicapped	346,101	4,631	350,732	339,805	10,927

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Preschool Disabilities-Full Time					
Salaries of Teachers	118,607	971	119,578	115,992	3,586
Other Salaries for Instruction	74,469	477	74,946	72,224	2,722
General Supplies	2,100		2,100	1,823	277
Total Preschool Handicapped	195,176	1,448	196,624	190,039	6,585
Total Special Education	5,226,823	(78,372)	5,148,451	5,020,093	128,358
Basic Skills/Remedial:					
Salaries of Teachers	1,296,384	368,611	1,664,995	1,633,110	31,885
General Supplies	6,959		6,959	4,662	2,297
Textbooks	200	(200)	-		-
Total Basic Skills/Remedial	1,303,543	368,411	1,671,954	1,637,772	34,182
Bilingual Education:					
Salaries of Teachers	559,437	5,375	564,812	562,603	2,209
General Supplies	6,987	(142)	6,845	5,882	963
Textbooks	1,300		1,300	245	1,055
Total Bilingual Education	567,724	5,233	572,957	568,730	4,227
School Sponsored Co-Curricular Activities:					
Salaries	168,118	44	168,162	135,995	32,167
Other Purchased Services	15,716		15,716	10,725	4,991
Supplies and Materials	34,915	4,642	39,557	27,776	11,781
Other Objects	14,605	1,271	15,876	7,891	7,985
Total School Sponsored Co-Curricular Activities	233,354	5,957	239,311	182,387	56,924

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 5 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
School Sponsored Athletics:					
Salaries	441,983	38,402	480,385	469,109	11,276
Other Purchased Services	68,386	(2,200)	66,186	47,233	18,953
Supplies and Materials	66,400	8,593	74,993	73,427	1,566
Other Objects	14,435	1,000	15,435	15,425	10
Total School Sponsored Athletics	591,204	45,795	636,999	605,194	31,805
After School Programs:					
Salaries of Teachers	44,319		44,319	22,307	22,012
Other Salaries For Instruction	53,858		53,858	34,567	19,291
Supplies and Materials	5,750		5,750	430	5,320
Total After School Programs	103,927	-	103,927	57,304	46,623
Community Service Programs:					
Salaries	30,800		30,800	21,429	9,371
Purchased Professional Educational Services	54,144	2,706	56,850	56,019	831
Other Objects	3,000	2,513	5,513	4,768	745
Total Community Service Programs	87,944	5,219	93,163	82,216	10,947
Total Instruction	26,269,253	316,061	26,585,314	25,631,591	953,723

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's - Regular	201,000	34,950	235,950	206,250	29,700
Tuition to County Special Services - Regular	81,000	30,000	111,000	83,500	27,500
Tuition to CSSD & Regular Day Schools	856,487	38,096	894,583	828,135	66,448
Tuition to Private Schools - Within State	360,342	(192,082)	168,260	71,330	96,930
Tuition to Private Schools - Outside State		16,817	16,817		16,817
Tuition - State Facilities	42,119	(42,119)	-		-
Tuition - Other	48,000	751	48,751	48,751	-
Total Instruction	<u>1,588,948</u>	<u>(113,587)</u>	<u>1,475,361</u>	<u>1,237,966</u>	<u>237,395</u>
Attendance & Social Work Services:					
Salaries	115,877	2,741	118,618	117,063	1,555
Purchased Professional and Technical Services	19,400	11,500	30,900	29,826	1,074
Supplies and Materials		6,464	6,464	6,324	140
Total Attendance & Social Work Services	<u>135,277</u>	<u>20,705</u>	<u>155,982</u>	<u>153,213</u>	<u>2,769</u>
Health Services:					
Salaries	750,254	5,671	755,925	733,413	22,512
Purchased Professional and Technical Services	61,740	1,901	63,641	25,787	37,854
Supplies and Materials	25,507	228	25,735	24,736	999
Total Health Services	<u>837,501</u>	<u>7,800</u>	<u>845,301</u>	<u>783,936</u>	<u>61,365</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 7 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Other Support Services - Students - Related:					
Salaries	1,135,739	(9,779)	1,125,960	1,086,287	39,673
Purchased Professional Educational Services	283,330	25,879	309,209	277,227	31,982
Supplies and Materials	5,158		5,158	4,981	177
Total Other Support Services - Student - Related	1,424,227	16,100	1,440,327	1,368,495	71,832
Other Support Services - Extraordinary:					
Salaries	332,102	36,359	368,461	365,268	3,193
Purchased Professional Educational Services	1,500		1,500	157	1,343
Total Other Support Services - Extraordinary	333,602	36,359	369,961	365,425	4,536
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	1,247,620	(22,177)	1,225,443	1,214,644	10,799
Salaries - Secretarial and Clerical	200,871	2,571	203,442	203,399	43
Other Salaries for Instruction	2,325		2,325	124	2,201
Purchased Professional Educational Services	950		950	150	800
Purchased Professional Technical Services	5,000		5,000	399	4,601
Other Purchased Services	15,928	3,975	19,903	8,509	11,394
Supplies and Materials	13,000	42	13,042	11,780	1,262
Other Objects	1,464		1,464	985	479
Total Other Support Services - Students - Regular	1,487,158	(15,589)	1,471,569	1,439,990	31,579

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Other Support Services - Students - Special:					
Salaries of Other Professional Staff	1,650,149	(33,620)	1,616,529	1,606,230	10,299
Salaries - Secretarial & Clerical	194,439		194,439	159,966	34,473
Supplies & Materials	12,605	91	12,696	11,897	799
Other Purchased Services	8,400	481	8,881	2,958	5,923
Other Objects	2,400		2,400		2,400
Total Other Support Services - Students - Special	<u>1,867,993</u>	<u>(33,048)</u>	<u>1,834,945</u>	<u>1,781,051</u>	<u>53,894</u>
Improvement of Instructional Services:					
Salaries - Supervisors of Instruction	1,225,151	(171,537)	1,053,614	1,002,696	50,918
Salaries - Other Professional Staff	25,529	16,251	41,780	28,451	13,329
Salaries - Secretarial & Clerical	189,252		189,252	188,777	475
Purchased Professional Educational Services		8,650	8,650	5,042	3,608
Other Purchased Services	25,800	(6,638)	19,162	2,215	16,947
Supplies and Materials	4,550	1,175	5,725	4,540	1,185
Other Objects	20,098	(4,034)	16,064	14,394	1,670
Total Imprv. of Instructional Services	<u>1,490,380</u>	<u>(156,133)</u>	<u>1,334,247</u>	<u>1,246,115</u>	<u>88,132</u>
Educational Media Services/School Library:					
Salaries	599,225	1,901	601,126	571,708	29,418
Salaries of Technology Coordinators	118,764	281	119,045	117,539	1,506
Purchased Professional and Technical Services	54,927	74,834	129,761	118,188	11,573
Supplies and Materials	163,787	(44,375)	119,412	115,183	4,229
Total Educational Media Svcs/School Library	<u>936,703</u>	<u>32,641</u>	<u>969,344</u>	<u>922,618</u>	<u>46,726</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Instructional Staff Training Services:					
Other Salaries	89,206	365	89,571	81,503	8,068
Purchased Professional/Educational Services	45,000	1,500	46,500	12,104	34,396
Other Purchased Services	20,000	2,499	22,499	13,094	9,405
Supplies and Materials	18,000		18,000	3,308	14,692
Other Objects	5,000	(946)	4,054	1,902	2,152
Total Instructional Staff Training Services	177,206	3,418	180,624	111,911	68,713
Support Services - General Administration:					
Salaries	300,987	10,695	311,682	311,682	-
Legal Services	78,000	(20,597)	57,403	52,887	4,516
Audit Services	24,000	(1,300)	22,700	22,700	-
Purchased Professional Services		16,650	16,650	12,487	4,163
Communications - Telephone	98,342	10,735	109,077	99,060	10,017
BOE Other Purchased Services	1,600	(1,000)	600		600
Other Purchased Services	48,640	29,093	77,733	65,638	12,095
General Supplies	3,375	(1,550)	1,825	1,755	70
BOE-Supplies	5,000	836	5,836	5,800	36
Miscellaneous	9,225	(7,661)	1,564	1,564	-
Judgments		133,366	133,366	133,366	-
BOE - Membership Dues and Fees	28,908	(1,300)	27,608	26,748	860
Total Support Services - General Administration	598,077	167,967	766,044	733,687	32,357

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 10 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Support Services - School Administration:					
Salaries Principals/Assistant Principals	1,484,387	21,451	1,505,838	1,505,838	-
Salaries - Secretarial and Clerical	664,083	29,685	693,768	690,506	3,262
Other Purchased Services	16,035	(1,823)	14,212	13,637	575
Supplies and Materials	38,284	6,255	44,539	38,452	6,087
Other Objects	12,169	196	12,365	11,776	589
Total Support Services - School Administration	<u>2,214,958</u>	<u>55,764</u>	<u>2,270,722</u>	<u>2,260,209</u>	<u>10,513</u>
Support Services - Central Services:					
Salaries	915,519	9,211	924,730	924,420	310
Salaries of Other Professional Staff	10,000	(3,930)	6,070	6,022	48
Purchased Professional Services	9,400	864	10,264	10,264	-
Other Purchased Services	4,700	11,394	16,094	15,005	1,089
Supplies and Materials	47,662	3,763	51,425	50,573	852
Miscellaneous Expenditures	6,664	51	6,715	6,715	-
Total Support Services - Central Services	<u>993,945</u>	<u>21,353</u>	<u>1,015,298</u>	<u>1,012,999</u>	<u>2,299</u>
Support Services - Technology Services:					
Salaries	210,583	5,249	215,832	213,466	2,366
Salaries-Sect. & Clerical	23,678	29,630	53,308	52,620	688
Purchased Technical Services	14,481	(1,133)	13,348	12,732	616
Other Purchased Services	18,047	(10,648)	7,399	4,885	2,514
Supplies and Materials	88,024	2,962	90,986	90,016	970
Other Objects	2,295	(500)	1,795	695	1,100
Total Support Services - Technology Services	<u>357,108</u>	<u>25,560</u>	<u>382,668</u>	<u>374,414</u>	<u>8,254</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 11 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Allowance Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	215,923	404,316	620,239	408,664	211,575
General Supplies	100,503	49,373	149,876	135,915	13,961
Total Allowance Maint. For School Facilities	316,426	453,689	770,115	544,579	225,536
Operations and Maintenance of Plant Services:					
Salaries	2,876,460	(119,189)	2,757,271	2,752,324	4,947
Salaries - Non-Instructional Aides	148,705	1,161	149,866	149,622	244
Cleaning, Repair & Maintenance Services	182,244	73,130	255,374	193,893	61,481
Other Purchased Services	5,040	4,384	9,424	7,083	2,341
Rental of Land and Buildings - Other Than					
Lease Purchase Agreements	77,586		77,586	77,586	-
Other Purchased Property Services	182,883	(5,733)	177,150	141,234	35,916
Insurance	296,294	(198)	296,096	296,096	-
General Supplies	273,606	(39,890)	233,716	211,739	21,977
Energy (Electric)	775,000	48,995	823,995	569,154	254,841
Energy (Natural Gas)	700,000	12,801	712,801	333,287	379,514
Energy (Gasoline)	16,800	4,038	20,838	18,837	2,001
Other Objects	3,507	69	3,576	3,576	-
Total Operations and Maint. of Plant Services	5,538,125	(20,432)	5,517,693	4,754,431	763,262
Maintenance of Grounds:					
Cleaning, Repair and Maintenance	59,650	60,572	120,222	96,557	23,665

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Security:					
Salaries	351,048	941	351,989	351,989	-
Purchased Services	18,570	15,230	33,800	26,935	6,865
Cleaning, Repair, and Maintenance Services	3,400	(733)	2,667	1,840	827
Supplies and Materials	14,815	34,053	48,868	45,234	3,634
Total Security	387,833	49,491	437,324	425,998	11,326
Student Transportation Services:					
Salaries-Non Instructional Aides	32,704	(3,866)	28,838	28,838	-
Salaries for Pupil Trans. (Home/School - Reg.)	178,690	27,766	206,456	206,456	-
Salaries for Pupil Trans. (Home/School - Sp. Ed)	96,267	(8,023)	88,244	88,244	-
Salaries for Pupil Trans.(Other than Home/School)		1,970	1,970	1,970	-
Purchased Professional and Technical Services	7,160		7,160	7,160	-
Equipment Repair	26,260	(2,997)	23,263	19,749	3,514
Bus Rental	3,400		3,400	3,197	203
Aid In Lieu	151,782	(12,861)	138,921	138,921	-
Contracted Services:					
(Home/School) Vendors	1,431,963	(20,000)	1,411,963	1,408,350	3,613
(Other Than Home/School) Vendors	158,520	(6,540)	151,980	128,339	23,641
(Between Home & School)-Joint Agreements	2,043		2,043	197,972	2,043
(Special Education) Vendors	278,818	(80,764)	198,054		82
(Special Education) Joint Agreements	52,641	15,000	67,641	67,193	448
(Special Education) -ECs & CTsAs	284,857	13,244	298,101	277,978	20,123
Miscellaneous Purchased Services	5,000	(4,750)	250	238	12
Supplies and Materials	28,280	25,264	53,544	44,116	9,428
Miscellaneous	1,106	1,840	2,946	2,714	232
Total Transportation Services	2,739,491	(54,717)	2,684,774	2,621,435	63,339

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 13 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	878,000	(8,337)	869,663	803,197	66,466
Other Retirement Contributions-PERS	985,874	(73,782)	912,092	901,221	10,871
Unemployment Compensation	175,000		175,000	175,000	-
Workmen's Compensation	402,632	25,408	428,040	428,040	-
Health Benefits	8,938,267	(408,374)	8,529,893	8,109,326	420,567
Tuition Reimbursements	98,000		98,000	85,522	12,478
Other Employee Benefits	195,060	10,270	205,330	204,972	358
Total Unallocated Benefits	<u>11,672,833</u>	<u>(454,815)</u>	<u>11,218,018</u>	<u>10,707,278</u>	<u>510,740</u>
On Behalf TPAF Contributions (Non-Budgeted)			-	2,978,726	(2,978,726)
Reimbursed TPAF Social Security Contributions			-	2,148,793	(2,148,793)
(Non-Budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,127,519</u>	<u>(5,127,519)</u>
Total Undistributed Expenditures	<u>35,157,441</u>	<u>103,098</u>	<u>35,260,539</u>	<u>38,069,826</u>	<u>(2,809,287)</u>
Total Expenditures - Current Expense	<u>61,426,694</u>	<u>419,159</u>	<u>61,845,853</u>	<u>63,701,417</u>	<u>(1,855,564)</u>
Capital Outlay:					
Increase in Capital Reserve	1,095,000		1,095,000		1,095,000
Interest Deposit To Capital Reserve	5,000		5,000		5,000
Non-Instructional Equipment	7,107	83,372	90,479	77,152	13,327
Other	4,000	995	4,995	4,995	-
Total Equipment	<u>1,111,107</u>	<u>84,367</u>	<u>1,195,474</u>	<u>82,147</u>	<u>1,113,327</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 14 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Facilities Acquisition and Construction Services:					
Purchased Professional Technical Services	120,000	(27,196)	92,804	90,479	2,325
Construction Services	620,000	552,433	1,172,433	1,088,633	83,800
Miscellaneous		19,661	19,661	19,661	-
Other Objects	62,389		62,389	62,389	-
Total Facilities Acquisition and Construction Svcs.	<u>802,389</u>	<u>544,898</u>	<u>1,347,287</u>	<u>1,261,162</u>	<u>86,125</u>
Transfer Capital Reserve To Repayment of Debt	<u>1,500,000</u>		<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Total Capital Outlay	<u>3,413,496</u>	<u>629,265</u>	<u>4,042,761</u>	<u>2,843,309</u>	<u>1,199,452</u>
Transfer of Funds To Charter Schools	<u>31,761</u>		<u>31,761</u>	<u>10,580</u>	<u>21,181</u>
Education Jobs		<u>168,694</u>	<u>168,694</u>	<u>168,694</u>	
Total Expenditures	<u>64,871,951</u>	<u>1,217,118</u>	<u>66,089,069</u>	<u>66,724,000</u>	<u>(634,931)</u>
Excess (Deficiency) of Revenues Over/(Under)					
Expenditures	(4,935,000)	(1,211,994)	(6,146,994)	(158,129)	5,988,865
Fund Balance July 1	<u>10,904,651</u>		<u>10,904,651</u>	<u>10,904,651</u>	
Fund Balance June 30	<u>\$ 5,969,651</u>	<u>(1,211,994)</u>	<u>4,757,657</u>	<u>10,746,522</u>	<u>5,988,865</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 15 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Recapitulation:					
Restricted fund Balance:					
Excess Surplus-Current Year				\$ 912,745	
Excess Surplus-Designated for Subsequent Year's Expenditures				1,283,198	
Committed fund Balance:					
Designated For Subsequent Years Expenditures-Capital Reserve				1,500,000	
Maintenance Reserve				400,000	
Capital Reserve				1,347,117	
Emergency Reserve				200,000	
Assigned Fund Balance:					
Year End Encumbrances				735,499	
Designated For Subsequent Years Expenditures				2,866,802	
Unassigned Fund Balance				<u>1,501,161</u>	
				<u>10,746,522</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(201,205)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 10,545,317</u>	

LAWRENCE TOWNSHIP SCHOOL DISTRICTBUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1b

EDUCATION JOBS FUNDFOR THE YEAR ENDED JUNE 30, 2012

	<u>Adjusted Budget</u>	<u>Expended</u>	<u>Funds Available</u>
Maintenance Salaries:			
18-000-266-110	\$ 113,673	113,673	-
Health Benefits:			
18-080-291-270	33,068	33,068	
Social Security:			
18-000-291-220	8,337	8,337	
Pension Costs:			
18-000-291-241	<u>13,616</u>	<u>13,616</u>	<u> </u>
Total Education Jobs	<u>\$ 168,694</u>	<u>168,694</u>	<u> </u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-2
Sheet 1 of 2

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 765,837	(101,212)	664,625	664,625	
Federal Sources	1,638,058	845,848	2,483,906	2,483,906	
Local Sources	100,000	233,168	333,168	333,168	
Total Revenues	<u>\$2,503,895</u>	<u>977,804</u>	<u>3,481,699</u>	<u>3,481,699</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 300,000	22,693	322,693	322,693	
Other Salaries for Instruction	40,000	8,026	48,026	48,026	
Purchased Professional and Technical Services	500,000	44,115	544,115	544,115	
Other Purchased Services		475	475	475	
Tuition	876,441	460,435	1,336,876	1,336,876	
General Supplies	200,000	102,135	302,135	302,135	
Textbooks	86,454	(12,752)	73,702	73,702	
Other Objects	1,000	3,898	4,898	4,898	
Total Instruction	<u>2,003,895</u>	<u>629,025</u>	<u>2,632,920</u>	<u>2,632,920</u>	<u>-</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

**Exhibit C-2
Sheet 2 of 2**

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services:					
Personal Services - Salaries		39,679	39,679	39,679	
Personal Services - Employee Benefits		61,397	61,397	61,397	
Purchased Professional - Educational Services	500,000	55,127	555,127	555,127	
Other Purchased Services		57,912	57,912	57,912	
Supplies and Materials		49,304	49,304	49,304	
Total Support Services	<u>500,000</u>	<u>263,419</u>	<u>763,419</u>	<u>763,419</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Rquipment		47,386	47,386	47,386	-
Non-Instructional Equipment		36,124	36,124	36,124	-
Construction Services		1,850	1,850	1,850	
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>85,360</u>	<u>85,360</u>	<u>85,360</u>	<u>-</u>
Total Expenditures	<u>\$2,503,895</u>	<u>977,804</u>	<u>3,481,699</u>	<u>3,481,699</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

LAWRENCE TOWNSHIP SCHOOL DISTRICT**REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATION**NOTE TO RSI****FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 66,565,871	3,481,699
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		25,536
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	57,597	4,113
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(201,205)</u>	<u>(8,342)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>\$ 66,422,263</u></u>	<u><u>3,503,006</u></u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 66,724,000	3,481,699
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		25,536
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 66,724,000</u></u>	<u><u>3,507,235</u></u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

Exhibit E-1
Sheet 1 of 3

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Title I	Title I SIA	Title IIA	Title IID	ARRA Title IID Talent 21	Title IV	I.D.E.A. Basic	I.D.E.A. Preschool	A.R.R.A. I.D.E.A. Basic
Revenues:									
State Sources	\$ -								
Federal Sources	336,506	4,943	90,896	17	249,245	13	1,711,993	60,532	1,299
Local Sources									
Total Revenues	\$ 336,506	4,943	90,896	17	249,245	13	1,711,993	60,532	1,299
Expenditures:									
Instruction:									
Salaries of Teachers	\$ 137,389		10,393		35,403				
Other Salaries for Instruction									
Purchased Professional and Technical Svcs.	63,941						4,156		1,299
Other Purchased Services									
Other Purchased Services									
General Supplies	67,982	4,943	4,320	17	47,992	13	1,299,400	37,476	
Textbooks							27,096	13,652	
Miscellaneous									
Total Instruction	269,312	4,943	14,713	17	83,395	13	1,330,652	51,128	1,299
Support Services:									
Personal Services - Salaries					39,679				
Personnel Services - Employee Benefits	10,519		865		5,811				
Purchased Professional and Technical Svcs.	47,518		57,082		67,368		366,340		
Other Purchased Services	5,769		16,653		16,594		4,056	2,405	
Supplies and Materials	3,388		1,583				10,945	6,999	
Total Support Services	67,194		76,183	-	129,452	-	381,341	9,404	-
Facilities Acquisition and Construction Services:									
Instructional Equipment					36,398				
Non-Instructional Equipment									
Construction Services					36,398				
Total Facilities Acquisition and Construction Services	-	-	-	-	36,398	-	-	-	-
Total Expenditures	\$ 336,506	4,943	90,896	17	249,245	13	1,711,993	60,532	1,299

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Exhibit E-1
Sheet 2 of 3

	Non-Public Textbooks	Nursing Services	Home Instruction	ESL	Compensatory Education	Transportation	Corrective Speech	Annual Examination & Classification	Initial Examination & Classification	Supplementary Instruction
Revenues:										
State Sources	73,702	130,144	5,214	3,448	87,319	25,156	24,092	30,337	102,495	50,718
Federal Sources										
Local Sources										
Total Revenues	<u>73,702</u>	<u>130,144</u>	<u>5,214</u>	<u>3,448</u>	<u>87,319</u>	<u>25,156</u>	<u>24,092</u>	<u>30,337</u>	<u>102,495</u>	<u>50,718</u>
Expenditures:										
Instruction:										
Salaries of Teachers										
Other Salaries for Instruction										
Purchased Professional and Technical Svcs.		130,144	5,214	3,448	87,319	25,156	24,092	30,337	102,495	50,718
Other Purchased Services										
Other Purchased Services										
General Supplies										
Textbooks	73,702									
Miscellaneous										
Total Instruction	<u>73,702</u>	<u>130,144</u>	<u>5,214</u>	<u>3,448</u>	<u>87,319</u>	<u>25,156</u>	<u>24,092</u>	<u>30,337</u>	<u>102,495</u>	<u>50,718</u>
Support Services:										
Personal Services - Salaries										
Personnel Services - Employee Benefits										
Purchased Professional/Educational Svcs.										
Other Purchased Services										
Supplies and Materials										
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services:										
Instructional Equipment										
Non-Instructional Equipment										
Construction Services										
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>73,702</u>	<u>130,144</u>	<u>5,214</u>	<u>3,448</u>	<u>87,319</u>	<u>25,156</u>	<u>24,092</u>	<u>30,337</u>	<u>102,495</u>	<u>50,718</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

Exhibit E-1
Sheet 3 of 3

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Preschool Education	Local Preschool Education	LTEC	LTEF	Spring LTEF	Fall LTEF	Winter LTEF	Roma Bank LTEF	Safety Grant	Safety Grant II	Asia	PBSIS	Totals 2012
Revenues:													
State Sources	132,000												664,625
Federal Sources		67,939	3,000	96,210	39,716	23,589	31,734	3,080	29,526	28,272	10,000	102	2,483,906
Local Sources													333,168
Total Revenues	132,000	67,939	3,000	96,210	39,716	23,589	31,734	3,080	29,526	28,272	10,000	102	3,481,699
Expenditures:													
Instruction:													
Salaries of Teachers	107,852	2,118		5,562									322,693
Other Salaries for Instruction	24,148	23,878											48,026
Purchased Professional and Technical Svcs.				12,380	1,750	1,666							544,115
Other Purchased Services											475		475
Tuition													1,336,876
General Supplies				54,641	27,844	19,387	20,247	3,080			8,167	102	302,135
Textbooks													73,702
Miscellaneous					4,373						525		4,898
Total Instruction	132,000	25,996	-	72,583	33,967	21,053	20,247	3,080	-	-	9,167	102	2,632,920
Support Services:													
Personal Services - Salaries													39,679
Personnel Services - Employee Benefits		41,943		425									61,397
Purchased Professional/Educational Svcs.			3,000	12,669	150	1,000							555,127
Other Purchased Services				7,709	1,903	1,536	499				788		57,912
Supplies and Materials				1,765	1,846				22,778				49,304
Total Support Services	-	41,943	3,000	22,568	3,899	2,536	499	-	22,778	-	788	-	763,419
Facilities Acquisition and Construction Services:													
Instructional Equipment				1,059			10,988		6,748	28,272	45		47,386
Non-Instructional Equipment					1,850								36,124
Construction Services	-	-	-	1,059	1,850	-	10,988	-	6,748	28,272	45	-	1,850
Total Facilities Acquisition and Construction Services													83,360
Total Expenditures	132,000	67,939	3,000	96,210	39,716	23,589	31,734	3,080	29,526	28,272	10,000	102	3,481,699

LAWRENCE TOWNSHIP SCHOOL DISTRICT**SPECIAL REVENUE FUND****Exhibit E-2****SCHEDULE OF PRESCHOOL EDUCATION AID****BUDGETARY BASIS****FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 107,852	107,852	
Other Salaries of Instruction	24,148	24,148	
Total Instruction	<u>132,000</u>	<u>132,000</u>	<u>-</u>
Total Expenditures	<u>\$ 132,000</u>	<u>132,000</u>	<u>-</u>

Calculation of Budget & Carryover

Total Revised 2011-12 Preschool Education Aid Allocation	\$ 132,000
Add: Actual PEA Carryover (June 30, 2011)	-
Add: Budgeted Transfer from the General Fund 2011-12	<u>-</u>
Total Preschool Education Aid Funds Available for 2011-12 Budget	132,000
Less: 2011-12 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>132,000</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2012	-
Add: June 30, 2012 Unexpended Preschool Education Aid	<u>-</u>
2012-13 Carryover - Preschool Education Aid Program	<u>\$ -</u>
2011-12 Preschool Education Aid Carryover Budgeted for Preschool Programs 2012-13	<u>\$ -</u>

CAPITAL PROJECTS FUND – F

LAWRENCE TOWNSHIP SCHOOL DISTRICT

71.

CAPITAL PROJECTS FUND

Exhibit F-2

SUMMARY SCHEDULE OF PROJECT EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2012

Revenues and Other Financing Sources

Interest	\$ 298
Total Revenues	<u>298</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	298
Other Financing Sources (Uses)	
Transfer to Debt Service-Interest	<u>(298)</u>
Total Other Financing Sources (Uses)	<u>(298)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-
Fund Balance - Beginning	<u>153,320</u>
Fund Balance - Ending	<u>\$ 153,320</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2a

CAPITAL PROJECTS FUND**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,****AND PROJECT STATUS - BUDGETARY BASIS****SOLAR ENERGY SAVINGS SYSTEMS****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Bond Proceeds	\$ 10,508,000		10,508,000	10,508,000
Total Revenues	10,508,000	-	10,508,000	10,508,000
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	662,475	(91,000)	571,475	571,475
Transfer To Debt Service	379,207		379,207	379,207
Other Purchased Services	34,355		34,355	34,355
Construction Services	9,369,643		9,369,643	9,369,643
Total Expenditures	10,445,680	(91,000)	10,354,680	10,354,680
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 62,320	91,000	153,320	153,320
<u>Additional Project Information</u>				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		June 11, 2008		
Bonds Authorized		\$ 10,508,000		
Bonds Issued		10,508,000		
Original Authorized Cost		10,508,000		
Additional Authorized Cost				
Revised Authorized Cost		10,508,000		
Percentage Increase Over Original Authorized Cost		None		
Percentage Completion		80%		
Original Target Completion Date		6/30/09		
Revised Target Completion Date		12/31/12		

PROPRIETARY FUNDS – G

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF NET ASSETS

Exhibit G-1

ENTERPRISE FUNDS

JUNE 30, 2012

	<u>Food Services</u>	<u>Academy ETTC</u>	<u>Driver's Education</u>	<u>Reading Recovery</u>	<u>Community</u>	<u>Building Use</u>	<u>Total 2012</u>
<u>Assets</u>							
Current Assets:							
Cash and Cash Equivalents	\$ 187,076	10,505	24,751	15,477	4,656	7,057	249,522
Accounts Receivable:							
State	1,045						1,045
Federal	27,567						27,567
Miscellaneous	10,452						10,452
Inventory	35,532						35,532
Total Current Assets	261,672	10,505	24,751	15,477	4,656	7,057	324,118
Noncurrent Assets:							
Equipment	546,990						546,990
Accumulated Depreciation	(256,831)						(256,831)
Total Noncurrent Assets	290,159	-	-	-	-	-	290,159
Total Assets	\$ 551,831	10,505	24,751	15,477	4,656	7,057	614,277
<u>Liabilities</u>							
Current Liabilities:							
Accounts Payable	\$ 73,004		666	8,000			81,670
Total Liabilities	\$ 73,004	-	666	8,000	-	-	81,670
<u>Net Assets</u>							
Investment in Capital Assets	\$ 290,159						290,159
Unrestricted	188,668	10,505	24,085	7,477	4,656	7,057	242,448
Total Net Assets	\$ 478,827	10,505	24,085	7,477	4,656	7,057	532,607

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit G-2

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

ENTERPRISE FUNDS

JUNE 30, 2012

	Food Services	Academy ETTC	Driver's Education	Reading Recovery	Community	Building Use	Extended Day Care	Total 2012
Operating Revenues:								
Local Sources:								
Daily Sales Reimbursable Programs:								
School Lunch Program	\$ 882,663	2,275	45,555	87,824	3,391	73,726	876	882,663
Fees								213,647
Total Operating Revenues	882,663	2,275	45,555	87,824	3,391	73,726	876	1,096,310
Operating Expenses:								
Salaries & Benefits	458,855	2,974	14,392	90,901		16,701		583,823
Supplies and Materials	80,034		24,795	2,544				107,373
Cleaning, Repairs & Maintenance	4,136		97			65,067		69,300
Depreciation	61,453							61,453
Insurance	23,011							23,011
Miscellaneous	48,782		621	179,214	1,555	4,934	168,495	403,601
Cost of Purchased Services	622,245			24,151				646,396
Management Fee	34,680							34,680
Total Operating Expenses	1,333,196	2,974	39,905	296,810	1,555	86,702	168,495	1,929,637
Operating Income (Loss)	(450,533)	(699)	5,650	(208,986)	1,836	(12,976)	(167,619)	(833,327)
Non-Operating Revenues:								
State Sources:								
State School Lunch Program	14,925							14,925
Federal Sources:								
National School Lunch Program	357,078							357,078
School Breakfast Program	15,402							15,402
Commodities	69,054							69,054
Total Non-Operating Revenues	456,459	-	-	-	-	-	-	456,459
Net Income (Loss)	5,926	(699)	5,650	(208,986)	1,836	(12,976)	(167,619)	(376,868)
Net Assets, July 1	472,901	11,204	18,435	216,463	2,820	20,033	167,619	909,475
Net Assets, June 30	\$ 478,827	10,505	24,085	7,477	4,656	7,057	-	532,607

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit G-3

SCHEDULE OF CASH FLOWS

ENTERPRISE FUNDS

JUNE 30, 2012

	Food Services	Academy ETTC	Driver's Education	Reading Recovery	Community	Building Use	Extended Day Care	Total 2012
Cash Flows from Operating Activities:								
Operating Income (Loss)	\$ (450,533)	(699)	5,650	(208,986)	1,836	(12,976)	(167,619)	(833,327)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities								
Depreciation	61,453							61,453
Commodities	69,054							69,054
Change in Assets and Liabilities								
Decrease/(Increase) in Inventory	1,167							1,167
(Increase)/Decrease in Accounts Receivable	33,643							33,643
Increase/(Decrease) in Accounts Payable	(11,958)		617	2,799	(272)	(426)		(9,240)
Net Cash Used By Operating Activities	(297,174)	(699)	6,267	(206,187)	1,564	(13,402)	(167,619)	(677,250)
Cash Flows from Noncapital Financing Activities:								
Cash Received From State and Federal Reimbursements	387,405							387,405
Net Cash Provided Noncapital Financing Activities:	387,405	-	-	-	-	-	-	387,405
Net Increase/(Decrease) in Cash and Cash Equivalents	90,231	(699)	6,267	(206,187)	1,564	(13,402)	(167,619)	(122,226)
Cash and Cash Equivalents, July 1	96,845	11,204	18,484	221,664	3,092	20,459	167,619	539,367
Cash and Cash Equivalents, June 30	\$ 187,076	10,505	24,751	15,477	4,656	7,057	-	249,522

FIDUCIARY FUND – H

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AS OF JUNE 30, 2012

	Scholarship Fund Non-Expendable Trust Fund	Student Activity	Payroll Agency	Summer Savings	Unemployment Compensation Expendable Trust	Total 2012
Assets:						
Cash and Cash Equivalents	\$ 39,905	174,347	348,583	871,286	200,853	1,634,974
Total Assets	<u>39,905</u>	<u>174,347</u>	<u>348,583</u>	<u>871,286</u>	<u>200,853</u>	<u>1,634,974</u>
Liabilities and Fund Balances:						
Liabilities:						
Accrued Salaries - Summer Savings				871,286		871,286
Payroll Deductions and Withholdings			348,583			348,583
Due to Student Groups		174,347				174,347
Total Liabilities		<u>174,347</u>	<u>348,583</u>	<u>871,286</u>	<u>-</u>	<u>1,394,216</u>
Net Assets:						
Reserved - Scholarships	39,905					39,905
Reserved - Unemployment Benefits					200,853	200,853
Total Net Assets	<u>\$ 39,905</u>				<u>200,853</u>	<u>240,758</u>

EXPENDABLE TRUST FUND**Exhibit H-2****COMBINING STATEMENT OF CHANGES****IN FIDUCIARY NET ASSETS****JUNE 30, 2012**

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Contributions	\$ 70	112,603	112,673
Interest on Investments		13	13
Total Additions	<u>70</u>	<u>112,616</u>	<u>112,686</u>
Deductions:			
Scholarship Payments	3,026		3,026
Unemployment Claims		31,915	31,915
Total Deductions	<u>3,026</u>	<u>31,915</u>	<u>34,941</u>
Change in Net Assets	(2,956)	80,701	77,745
Net Assets, July 1	<u>42,861</u>	<u>120,152</u>	<u>163,013</u>
Net Assets, June 30	<u>\$ 39,905</u>	<u>200,853</u>	<u>240,758</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUND**SCHEDULE OF RECEIPTS AND DISBURSEMENTS****JUNE 30, 2012**

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
<u>Elementary Schools</u>				
Benjamin Franklin	\$ 630			630
Eldridge Park	5,011	5,333	5,034	5,310
Lawrenceville	439	10,180	9,795	824
Slackwood	554		148	406
Total Elementary Schools	6,634	15,513	14,977	7,170
<u>Junior High Schools</u>				
Lawrence Intermediate	5,737	11,052	10,661	6,128
Lawrence Middle	44,353	76,616	71,344	49,625
Total Junior High Schools	50,090	87,668	82,005	55,753
<u>Senior High Schools</u>				
Lawrence High	135,402	220,026	244,004	111,424
Total Senior High Schools	135,402	220,026	244,004	111,424
Total - All Schools	\$ 192,126	323,207	340,986	174,347

LAWRENCE TOWNSHIP SCHOOL DISTRICT

79.

PAYROLL AGENCY FUND**Exhibit H-4****SCHEDULE OF RECEIPTS AND DISBURSEMENTS****JUNE 30, 2012**

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Assets:				
Cash and Cash Equivalents	\$ 248,065	44,754,266	44,653,748	348,583
Total Assets	<u>\$ 248,065</u>	<u>44,754,266</u>	<u>44,653,748</u>	<u>348,583</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 248,065	44,754,266	44,653,748	348,583
Total Liabilities	<u>\$ 248,065</u>	<u>44,754,266</u>	<u>44,653,748</u>	<u>348,583</u>

SUMMER SAVINGS**SCHEDULE OF RECEIPTS AND DISBURSEMENTS****Exhibit H-5****JUNE 30, 2012**

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Assets:				
Cash and Cash Equivalents	\$ 820,143	871,347	820,204	871,286
Total Assets	<u>\$ 820,143</u>	<u>871,347</u>	<u>* 820,204</u>	<u>871,286</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 820,143	871,347	820,204	871,286
Total Liabilities	<u>\$ 820,143</u>	<u>871,347</u>	<u>820,204</u>	<u>871,286</u>

LONG-TERM DEBT – I

LAWRENCE TOWNSHIP SCHOOL DISTRICT

LONG-TERM LIABILITIES

Exhibit I-1
Sheet 1 of 2

SCHEDULE OF SERIAL BONDS

JUNE 30, 2012

	Date of Issue	Original Issue	Annual Maturities		Interest Rate	Balance July 1, 2011	Issued	Retired	Refunded	Balance June 30, 2012
			Date	Amount						
Technology Improve. & Renovations	7/15/1998	\$ 7,853,000	7/15/12	\$ 280,000	4.40%	\$ 833,000		280,000		553,000
			7/15/13	273,000						
School Additions & Renovations	8/8/2011	27,564,000	3/1/2013	1,240,000	3.80%	21,624,000		1,175,000	19,209,000	1,240,000
	3/1/2012	18,450,000	3/1/2013	45,000	2.00%		18,450,000	50,000		18,400,000
2011 Refunding Issue				1,360,000	4.00%					
				1,275,000						
				1,330,000						
				1,820,000						
				1,880,000						
				1,955,000						
				2,035,000						
				2,120,000						
				2,230,000						
				2,350,000						
Pension Refunding	2/15/2003	\$ 3,270,000	7/15/2012	255,000	4.80%	1,650,000		240,000		1,410,000
			7/15/2013	265,000	4.90%					
			7/15/2014	280,000	5.00%					
			7/15/2015	295,000	5.30%					
			7/15/2016	315,000	5.30%					

LAWRENCE TOWNSHIP SCHOOL DISTRICT

LONG-TERM LIABILITIES

SCHEDULE OF SERIAL BONDS

JUNE 30, 2012

Exhibit I-1
Sheet 2 of 2

	Date of Issue	Original Issue	Annual Maturities		Interest Rate	Balance July 1, 2011	Issued	Retired	Refunded	Balance June 30, 2012
			Date	Amount						
School Improvements	3/23/2007	\$ 9,800,000	3/1/2013	\$ 990,000	3.75%	6,305,000		950,000		5,355,000
			3/1/2014	1,030,000						
			3/1/2015	1,070,000						
			3/1/2016	1,110,000						
			3/1/2017	1,155,000	4.00%					
Solar Energy	6/24/2008	10,508,000	7/15/2012	390,000	4.125%	10,113,000		365,000		9,748,000
			7/15/2013	415,000						
			7/15/2014	440,000	4.25%					
			7/15/2015	460,000						
			7/15/2016	480,000						
			7/15/2017	500,000						
			7/15/2018	520,000						
			7/15/2019	540,000						
			7/15/2020	565,000						
			7/15/2021	585,000	4.375%					
			7/15/2022	610,000						
			7/15/2023	635,000						
			7/15/2024	665,000						
			7/15/2025	690,000						
			7/15/2026	720,000						
			7/15/2027	750,000						
			7/15/2028	783,000						
						\$ 40,525,000	-	3,010,000	19,209,000	36,706,000

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit 1-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,987,151		1,987,151	1,987,151	
Miscellaneous	450,000		450,000	624,720	174,720
State Aid	673,859		673,859	673,859	-
Total Revenues	<u>3,111,010</u>	<u>-</u>	<u>3,111,010</u>	<u>3,285,730</u>	<u>174,720</u>
Expenditures:					
Regular Debt Service:					
Interest - Early Retirement on Bonds	77,015		77,015	77,015	-
Interest	1,575,433	(50,464)	1,524,969	1,524,652	317
Redemption of Principal	3,010,000	50,464	3,060,464	3,060,464	-
Total Regular Debt Service	<u>4,662,448</u>	<u>-</u>	<u>4,662,448</u>	<u>4,662,131</u>	<u>317</u>
Total Expenditures	<u>4,662,448</u>	<u>-</u>	<u>4,662,448</u>	<u>4,662,131</u>	<u>317</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,551,438)</u>	<u>-</u>	<u>(1,551,438)</u>	<u>(1,376,401)</u>	<u>175,037</u>
Other Financing Sources:					
Transfer from Capital Reserve	1,500,000		1,500,000	1,500,000	
Transfer from Capital Projects				298	298
Total Other Financing Sources	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>	<u>1,500,298</u>	<u>298</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	<u>(51,438)</u>	<u>-</u>	<u>(51,438)</u>	<u>123,897</u>	<u>175,335</u>
Fund Balance July 1	<u>138,679</u>	<u>-</u>	<u>138,679</u>	<u>138,679</u>	
Fund Balance June 30	<u>\$ 87,241</u>	<u>-</u>	<u>87,241</u>	<u>262,576</u>	<u>175,335</u>

STATISTICAL SECTION

(Unaudited)

LAWRENCE TOWNSHIP BOARD OF EDUCATION J-1
NET ASSETS BY COMPONENT
LAST THREE FISCAL YEARS

	2012	2011	2010
Governmental Activities			
Invested in Capital Assets, net of related Debt	1 \$ 99,526,291 \$	98,367,381 \$	98,860,105
Restricted	2 \$ 9,873,295 \$	11,051,428 \$	11,583,512
Unrestricted	3 \$ (819,561) \$	(646,664) \$	(1,348,744)
Total Governmental Activities	\$ 108,580,025 \$	108,772,145 \$	109,094,873
Business Type Activities			
Invested in Capital Assets, net of related Debt	4 \$ 290,159 \$	351,612 \$	385,909
Unrestricted	5 \$ 242,448 \$	557,863 \$	567,891
Total Business Type Activities	\$ 532,607 \$	909,475 \$	953,800
District-wide			
Invested in Capital Assets, net of related Debt	\$ 99,816,450 \$	98,718,993 \$	98,246,014
Restricted	\$ 9,873,295 \$	11,051,428 \$	11,583,512
Unrestricted	\$ (577,113) \$	(88,801) \$	(780,853)
Total District Assets	\$ 109,112,632 \$	109,681,620 \$	109,048,673

LAWRENCE TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST THREE FISCAL YEARS

J-2

	2012	2011	2010
Expenses:			
Governmental Activities	\$ 72,798,664	\$ 69,894,843	\$ 73,406,804
Business Type Activities	\$ 1,929,637	\$ 1,514,248	\$ 1,715,265
Total District Expenses	\$ 74,728,301	\$ 71,409,091	\$ 75,122,069
Program Revenues:			
Governmental Activities	\$ 3,728,216	\$ 2,866,842	\$ 2,486,880
Business Type Activities	\$ 1,552,769	\$ 1,445,619	\$ 1,872,470
Total District Program Revenues	\$ 5,280,985	\$ 4,312,461	\$ 4,359,350
Net (Expense):			
Governmental Activities	\$ (69,070,448)	\$ (67,028,001)	\$ (70,919,924)
Business Type Activities	\$ (376,868)	\$ (68,629)	\$ 157,205
Total District-wide Net Expense	\$ (69,447,316)	\$ (67,096,630)	\$ (70,762,719)
General Revenues and Other Changes in Net Assets:			
Governmental Activities	\$ 70,974,855	\$ 69,361,737	\$ 69,709,623
Business Type Activities	\$ -	\$ -	\$ -
Total District-wide	\$ 70,974,855	\$ 69,361,737	\$ 69,709,623
Change in Net Assets:			
Governmental Activities	\$ 1,904,407	\$ 2,333,736	\$ (1,210,301)
Business Type Activities	\$ (376,868)	\$ (68,629)	\$ 157,205
Total District	\$ 1,527,539	\$ 2,265,107	\$ (1,053,096)

LAWRENCE BOARD OF EDUCATION
FUND BALANCES, GOVERNMENT FUNDS
LAST THREE FISCAL YEARS

J-3

	2012	2011	2010
General Fund:			
Reserved: Excess Surplus	\$ 912,745	\$ 1,283,198	\$ 848,095
Undesignated prior to Excess Calc.	\$ 2,413,908	\$ 2,750,733	\$ 2,334,502
Total Unreserved Surplus	\$ 3,326,653	\$ 4,033,931	\$ 3,182,597
All Other Governmental Funds:			
Unreserved, Reported in:			
Capital Projects Fund	\$ -	\$ -	\$ -
Debt Service Fund	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Total All Other Government Funds	\$ 3,326,653	\$ 4,033,931	\$ 3,182,597

**LAWRENCE TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION**

J-4

<u>FUNCTION</u>	<u>Actual 03/04</u>	<u>Actual 04/05</u>	<u>Actual 05/06</u>	<u>Actual 06/07</u>	<u>Actual 07/08</u>	<u>Actual 08/09</u>	<u>Actual 09/10</u>	<u>Actual 10/11</u>	<u>Actual 11/12</u>
Revenues									
Tax levy	42,314,595	47,030,231	51,897,779	53,698,356	55,507,507	56,207,624	57,936,065	58,341,587	57,383,635
Tuition charges	3,759,197	3,217,514	1,698,468	247,353	54,943	291,377	189,186	17,412	56,516
Interest earnings	30,265	120,513	5,000	622,215	447,616	149,941	51,248	22,683	1,201
Miscellaneous	155,335	66,243	528,597	29,920	134,076	194,988	139,904	296,308	598,710
State Aid	4,863,255	5,571,676	5,421,070	5,383,812	4,791,039	4,983,811	3,746,291	1,842,234	3,184,699
State On Behalf	3,158,612	3,336,398	3,817,095	5,790,147	6,100,317	4,160,860	4,448,009	4,182,843	5,127,519
Federal							44,818	37,846	213,591
Total revenue	54,281,259	59,342,575	63,368,009	65,771,803	67,035,498	65,988,601	66,555,521	64,740,913	66,565,871
Regular									
Special Education	16,809,192	16,869,895	17,570,213	18,068,247	19,010,330	19,086,882	18,774,584	18,057,489	17,477,895
Other (ESL/ASI)	3,281,528	3,326,160	3,456,065	3,654,276	4,412,743	4,903,781	5,394,167	5,061,933	5,020,093
Athletic/Co-Curricular/Other Instructional	1,289,313	1,202,953	1,454,721	1,434,813	1,567,140	1,801,718	1,987,744	1,864,728	2,206,502
Community Services	757,922	759,329	777,473	873,045	856,357	890,737	1,016,822	924,445	844,885
Total Instruction	11,023	7,386	12,336	211,075	125,842	104,588	125,722	69,683	82,216
Undistributed:	22,148,978	22,165,723	23,270,807	24,241,457	25,972,411	26,787,706	27,299,039	25,978,278	25,631,591
Instruction(Tuition-Student Sent)									
Support Services-Students	4,098,112	4,018,450	4,134,681	3,541,327	2,646,006	1,732,886	1,733,528	1,240,279	1,248,546
Support Services-Instructional Staff	6,536,586	6,588,609	7,188,037	7,970,407	8,408,915	8,681,085	9,047,676	8,199,321	8,172,753
Support Services-Instructional Staff Training									
General Administration									
School Administration	1,083,388	1,033,075	869,078	602,606	628,622	682,475	584,912	698,851	733,687
Central Services	1,853,433	1,981,312	2,185,122	2,299,557	2,408,641	2,465,813	2,479,037	2,173,557	2,260,209
Technology	-	693,559	839,140	1,077,972	1,113,838	1,066,718	1,072,353	963,399	1,012,999
Plant/Maintenance/Security	4,299,334	4,688,200	5,103,337	537,552	540,365	519,076	297,306	285,276	374,414
Student Transportation	2,788,877	2,903,948	3,377,206	6,118,855	6,049,527	6,444,722	6,101,268	6,010,209	5,935,239
Other Support Services:	1,108,471	113,966	3,125,234	3,307,782	2,910,590	2,749,294	2,493,137	2,546,224	2,621,435
Employee Benefits	6,746,300	7,273,895	7,870,272	8,574,418	9,105,455	9,322,548	10,480,226	10,750,924	10,762,299
Food Service									
On-behalf TPAF Pension Contributions	1,329,860	1,509,656	1,899,321	3,715,794	3,931,439	1,880,866	1,982,178	2,106,148	2,978,726
Reimbursed TPAF Social Security Contributions	1,828,752	1,826,742	1,917,774	2,074,353	2,168,878	2,279,994	2,465,831	2,076,695	2,148,793
Other									
Total Undistributed	31,673,113	33,084,046	35,916,202	39,820,622	39,912,274	37,825,477	38,737,453	37,050,883	38,249,100
Total Capital Outlay	352,823	287,415	1,296,797	974,178	516,108	840,539	83,091	1,238,039	2,843,309
Total Special Schools	6,148	5,932	-	-	-	-	-	-	-
Total General Fund Expenditures	54,181,062	55,543,116	60,483,805	65,036,257	66,400,794	65,453,722	66,119,583	64,267,200	66,724,000

Excess(Deficiency) of Revenue Over (Under) Expenditures
Other Financing
Fund Balance July 1
Fund Balance June 30

Source: CAFR
Input Source: Btlat

**LAWRENCE TOWNSHIP BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**

J-5

LAST TEN FISCAL YEARS

UNAUDITED

	Interest on Investments	Miscellaneous	Total
2003	54,950	114,516	169,466
2004	30,265	155,335	185,600
2005	120,513	66,243	186,756
2006	369,282	135,965	505,247
2007	622,215	29,920	652,135
2008	447,616	133,877	581,493
2009	149,941	182,686	332,627
2010	51,248	68,362	119,610
2011	22,683	207,158	229,841
2012	1,201	525,813	527,013

Miscellaneous includes: Miscellaneous & Prior Year Refunds

Note 1. In 2012 LTBOE closed enterprise accounts and deposited funds into the Miscellaneous account totalling \$415,332. These funds are to be deposited into the Capital Reserve account at year end.

LAWRENCE BOARD OF EDUCATION
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
J-6
LAST 10 YEARS

<u>Year</u>	<u>Net Assessed Valuation Taxable</u>	<u>Equalized FullCash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2003	\$2,612,998,236	\$3,113,677,593	83.92%
2004	\$2,636,187,803	\$3,501,843,522	75.28%
2005	\$2,661,054,430	\$4,136,568,366	64.33%
2006	\$2,684,895,757	\$4,425,409,192	60.67%
2007	\$2,695,162,162	\$5,070,860,135	53.15%
2008	\$2,691,265,288	\$5,620,854,820	47.88%
2009	\$2,689,270,823	\$5,657,051,260	47.54%
2010	\$2,603,782,710	\$5,399,997,354	48.76%
2011	\$2,566,192,608	\$5,054,545,219	50.77%
2012	\$2,527,842,792	\$5,161,843,015	48.97%

LAWRENCE TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX RATES-DIRECT AND OVERLAPPING
PER \$100 OF ASSESSED VALUATION

J-7

Assessment Year	Lawrence School District	Lawrence Township	Mercer County	TOTAL
2003	\$1.67	\$0.55	\$0.77	\$2.99
2004	\$1.82	\$0.59	\$0.83	\$3.24
2005	\$1.96	\$0.62	\$0.83	\$3.41
2006	\$2.05	\$0.65	\$0.80	\$3.50
2007	\$2.13	\$0.70	\$0.97	\$3.80
2008	\$2.19	\$0.74	\$1.07	\$4.01
2009	\$2.21	\$0.75	\$1.11	\$4.07
2010	\$2.30	\$0.81	\$1.14	\$4.24
2011	\$2.33	\$0.87	\$1.09	\$4.29
2012	\$2.35	\$0.89	\$1.07	\$4.31

**LAWRENCE BOARD OF EDUCATION
SCHEDULE OF PRINCIPAL TAXESPAYERS
FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>Taxpayer</u>	<u>Assessed Valuation 2011</u>	<u>As a % of total Net Assessed Taxable Valuation</u>
1. Bristol-Myers Squibb	\$182,916,000	7.25%
2. Town Run Associates/Avalon Properties	55,929,700	2.22%
3. Education Testing Service	66,687,200	2.64%
4. Brandywine Operating Partnership	50,652,600	2.01%
5. Mercer Mall	46,979,800	1.86%
6. Lawrence Associates C/O KAVCO	46,322,000	1.83%
7. Lawrence Shopping Center	16,316,100	0.65%
8. Princeton Pike Office Park	13,681,000	0.54%
9. River Real Estate	12,838,900	0.51%
10. Yorkshire Meadows, LLC	15,117,500	0.60%

LAWRENCE TOWNSHIP BOARD OF EDUCATION
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS

<u>Year Ended</u> <u>December 31</u>	<u>Total Tax</u> <u>Levy</u>	<u>Current Tax</u> <u>Collections</u>	<u>Percent of Tax</u> <u>Levy Collected</u>
2003	\$79,215,849.33	\$77,682,531.53	98.06%
2004	\$86,259,298.00	\$84,417,861.00	97.87%
2005	\$95,631,768.53	\$94,349,958.12	98.66%
2006	\$98,877,251.87	\$97,724,918.98	98.83%
2007	\$103,069,578.35	\$101,304,332.57	98.29%
2008	\$108,201,491.00	\$106,109,644.00	98.07%
2009	\$109,807,601.66	\$107,854,632.35	98.22%
2010	\$110,758,572.74	\$108,938,583.24	98.36%
2011	\$110,140,985.00	\$107,259,518.00	97.38%

LAWRENCE TOWNSHIP BOARD OF EDUCATION
RATIO OF OUTSTANDING DEBT BY TYPE

Fiscal Year Ended June 30,	General Obligation Bonds	Other Debt	Total Debt		Population	Per Capita
			Per District			
2003	5,920,100	-	5,920,100		30,914	\$ 192
2004	34,899,455	-	34,899,455		31,316	\$ 1,114
2005	32,872,000	-	32,872,000		31,401	\$ 1,047
2006	31,562,000		31,562,000		31,401	\$ 1,005
2007	39,997,000		39,997,000		31,401	\$ 1,274
2008	48,700,000		48,700,000		31,863	\$ 1,528
2009	45,895,000		45,895,000		32,081	\$ 1,431
2010	43,405,000		43,405,000		32,081	\$ 1,353
2011	39,766,000		39,766,000		33,472	\$ 1,188
2012	36,706,000		36,706,000		33,319	\$ 1,102

LAWRENCE TOWNSHIP BOARD OF EDUCATION
RATIO OF NET GENERAL BONDED DEBT **J-11**
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Fiscal Year Ended June 30,	Lawrence Twp Population	Net Assessed Valuation Taxable	Net Bonded Debt of District	Ratio of Bonded Debt to Assessed		Net Bonded Debt Per Capita
				Value		
2003	30,914	\$2,612,998,236	\$5,920,100	0.23%		\$192
2004	31,316	\$2,636,187,803	\$34,899,455	1.32%		\$1,114
2005	31,401	\$2,661,054,430	\$32,872,000	1.24%		\$1,047
2006	32,081	\$2,684,895,757	\$31,562,000	1.18%		\$984
2007	32,485	\$2,695,162,162	\$39,997,000	1.48%		\$1,231
2008	32,081	\$2,691,265,286	\$48,700,000	1.81%		\$1,518
2009	32,081	\$2,688,130,426	\$45,895,000	1.71%		\$1,431
2010	32,081	\$2,603,782,710	\$43,405,000	1.67%		\$1,353
2011	33,472	\$2,566,192,608	\$39,766,000	1.55%		\$1,188
2012	33,319	\$2,527,842,792	\$36,706,000	1.45%		\$1,102

LAWRENCE TOWNSHIP BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE FISCAL YEAR ENDED
UNAUDITED

Net Direct Debt of School District as of December 31, 2011	\$38,831,000
Net Overlapping Debt of School District:	
Lawrence Township	\$35,150,002
Mercer County - Township's Share	\$56,459,002
Ewing-Lawrence Sewer Authority - Township's Share	\$1,538,384
Mercer County Improvement Authority-Township's Share	\$10,806,639
Total Direct and Overlapping Bonded Debt as of December 31, 2011	<u>\$142,785,027</u>

LAWRENCE TOWNSHIP BOARD OF EDUCATION
COMPUTATION OF LEGAL DEBT MARGIN

Year	Equalized Valuation Basis
2012	\$ 5,161,843,015
2011	\$ 5,054,545,219
2010	\$ 5,366,655,629
2009	\$ 5,668,202,768
2008	\$ 5,630,262,109
2007	\$ 5,621,784,091
2006	\$ 5,044,901,266
2005	\$ 4,378,931,965
	<u>\$15,583,043,863</u>

Average 3 years Equalized Valuation of
Taxable Property

\$ 5,194,347,954

School Borrowing Margin

\$ 207,773,918

Net Bonded School Debt as
of June 30, 2012

36,706,000

School Borrowing Margin Available

\$ 171,067,918

	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 207,773,918	\$ 214,525,382	\$ 222,201,607	\$ 225,603,320	\$ 217,292,633	\$ 200,608,231	\$ 188,476,665	175,157,279
Net Debt	36,706,000	39,766,000	43,405,000	45,895,000	48,700,000	39,997,000	31,562,000	32,872,000
Legal Debt Margin	<u>\$ 244,479,918</u>	<u>\$ 254,291,382</u>	<u>\$ 178,796,607</u>	<u>\$ 179,708,320</u>	<u>\$ 168,592,633</u>	<u>\$ 160,611,231</u>	<u>\$ 156,914,665</u>	<u>142,285,279</u>
NISA: 18A: 24-19								

LAWRENCE TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS

Year Ended December 31,	Lawrence Township Unemployment Rate	Mercer County Per Capita Income	Lawrence Township Population
2002	2.8%	42,222	30,372
2003	2.8%	43,066	30,914
2004	2.3%	44,426	31,316
2005	2.2%	45,869	31,401
2006	2.0%	50,350	32,081
2007	2.7%	52,576	31,863
2008	3.8%	53,798	31,645
2009	6.6%	50,916	31,660
2010	6.3%	52,496	33,472
2011	6.1%	na	33,319

LAWRENCE TOWNSHIP BOARD OF EDUCATION

Operating Statistics

Principal Employers

J-15

2011

1
2
3
4
5
6
7
8
9
10

2012

1
2
3
4
5
6
7
8
9
10

No Data Available

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-16

Full-Time Equivalent District Employees by Function/Program

Last Ten Fiscal Years

Unaudited

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction								
Program Code Series 105,110,120,130,140,150,190,Regular	272	270	280	297	286	291	281	285
Program Code Series 209,212,213,215,216,Special Education	51	69	71	63	66	64	64	105
Other Special Education	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-
Other Instruction	-	-	-	-	-	-	-	1
Nonpublic school programs	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-
Support Services								
Function Code Series 211,213,216,217,218,219,221,Student & instruction related services	52	57	59	63	60	66	61	121
Function Code Series 230General administration	3	3	3	4	4	4	4	3
Function Code Series 240School administrative services	13	13	13	13	13	13	12	23
Function Code Series 251Central Services	45	53	53	47	45	23	23	12
Function Code Series 252Admin. Information Technology	9	7	7	9	9	12	12	3
Function Code Series 261,262,266Plant operations & maintenance	48	60	63	53	52	52	48	68
Function Code Series 27XPupil Transportation				3	5	3	5	7
Function Code SeriesOther support services	76	80	85	104	95	110	112 *	
Special Schools	-	-	-	-	-	-	-	-
Food Service	-	-	-	1	1	1	1	-
Child Care	-	-	-	-	-	-	-	-
Total	575	623	644	669	647	652	635	628

LAWRENCE TOWNSHIP BOARD OF EDUCATION

Operating Statistics

Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Operating Expenditures (1)	Cost Per Pupil	Percentile Change	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Student Attendance Percentage
2002	46,021,031	\$11,624	3.92%	3,959	3,779	95.4%
2003	49,598,421	\$12,109	4.00%	4,096	3,885	94.8%
2004	54,181,062	\$12,870	5.91%	4,210	4,007	95.2%
2005	55,543,116	\$13,100	1.76%	4,240	4,002	94.4%
2006	60,483,806	\$14,442	9.29%	4,188	3,963	94.6%
2007	65,036,257	\$16,324	11.53%	3,984	3,791	95.2%
2008	66,400,794	\$16,969	3.80%	3,913	3,738	95.5%
2009	61,292,861	\$15,746	-7.77%	3,893	3,709	95.3%
2010	61,655,306	\$15,698	-0.31%	3,927	3,754	95.6%
2011	60,084,357	\$15,197	-3.30%	3,954	3,790	95.9%
2012	61,596,481	\$15,390	1.25%	4,002	3,845	96.1%

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUILDING INFORMATION
FISCAL YEARS ENDING JUNE 30, 2012
REQUIRED MAINTENANCE EXPENDITURES

<u>SCHOOL:</u>	<u>Sq. Ft.</u>	2005	2006	2007	2008	2009	2010	2011	2012
LAWRENCE HIGH SCHOOL	240,388	\$ 87,066	\$ 87,364	\$ 174,633	\$ 224,297	199,589	172,356	173,741	172,269
LAWRENCE MIDDLE SCHOOL	86,123	\$ 29,645	\$ 79,144	\$ 61,239	\$ 27,537	51,555	89,464	141,461	79,251
BEN FRANKLIN	62,829	\$ 16,057	\$ 30,161	\$ 33,962	\$ 20,280	33,869	25,168	37,680	47,618
ELDRIDGE PARK	34,673	\$ 81,792	\$ 24,089	\$ 25,539	\$ 47,677	55,030	25,987	30,863	32,740
LAWRENCE INTERMEDIATE	100,742	\$ 53,124	\$ 139,321	\$ 40,120	\$ 37,009	48,241	33,954	37,126	80,898
LAWRENCEVILLE ELEMENTARY	51,684	\$ 34,867	\$ 53,135	\$ 34,258	\$ 13,678	109,904	54,322	31,341	79,644
SLACKWOOD ELEMENTARY	43,518	\$ 41,284	\$ 37,085	\$ 54,525	\$ 17,466	55,800	33,338	51,240	52,159
		\$ 343,836	\$ 450,299	\$ 424,278	\$ 387,944	\$ 553,987	\$ 434,589	\$ 503,453	\$ 544,579

Source: Comprehensive Maintenance Plan M-1/M and CSI with the audit for 11-000-261

LAWRENCE TOWNSHIP BOARD OF EDUCATION**INSURANCE SCHEDULE****J-20**

<u>Multi Peril Package Policy</u>	<u>JUNE 30, 2012 Coverage</u>	<u>Deductible</u>	<u>Company</u>
<u>Property</u>			
Blanket Building & Contents	130,907,154	5,000	NJSBAIG
Extra Expense	1,000,000		
Musical instruments(included in blanket bldg & contents) included			
Miscellaneous Equip (included in blanket bldg & contents included			
Computer Equipment (Included in Blanket Bldg & Conten included			
Demoitioin /Incr. Cost of Construction	5,000,000		
<u>Energy Systems</u>	100,000,000		NJSBAIG
Spoilage	500,000		
<u>Commercial Liability</u>			NJSBAIG
Bodily Injury /Property Damage	11,000,000		
Fire Damage (Legal)	11,000,000		
Medical Expense	1000/10,000		
Employee Benefits Liability	11,000,000		
<u>Crime</u>			NJSBAIG
Money & Securities	50,000		
Employee Dishonesty	1,000,000		
<u>Business Auto</u>			NJSBAIG
Bodily Injury & Property Damage	11,000,000		
Personal Injury Protection	Yes		
Medical Payments	10,000		
Uninsured/Underinsured	1,000,000		
Comprehensive	1,000		
Collision	1,000		
Garagekeepers	1,000,000		
<u>School Board Legal Liability</u>			NJSBAIG
Section "A"	11,000,000		
Section "B"	100,000/300,000		
Retention	15,000		
<u>Catastrophe Excess</u>			Firemans Fund
Limit of Liability	50,000,000		
<u>Workers Compensation Policy</u>			NJSBAIG
Section "A"	Statutory		
Section "B"			
Each Accident	2,000,000		
Each Employee	2,000,000		
<u>Supplemental W/C</u>			NJSBAIG
Maximum Benefits	1750 PER WEEK		
<u>Student Accident</u>		MCCLOSKEY/NJSBAIG	
Compulsory(including Athletics)	5,000,000		
<u>Bonds</u>			SELECTIVE
Treasurer of School Monies	325,000		
Business Administrator	100,000		
<u>Environmental Impairment Liability</u>			
Limit of liability	1,000,000		CHUBB
	3,000,000		

SINGLE AUDIT SECTION

Robert A. Hulsart and Company
 CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
 ROBERT A. HULSART, JR., C.P.A., P.S.A.
 RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:
 (732) 280-8888
 e-mail:
 rah@monmouth.com

2807 Hurley Pond Road • Suite 100
 P.O. Box 1409
 Wall, New Jersey 07719-1409
 (732) 681-4990

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS (NO MATERIAL
WEAKNESSES IDENTIFIED, NO SIGNIFICANT DEFICIENCIES IDENTIFIED,
NO REPORTABLE INSTANCES OF NONCOMPLIANCE OR
OTHER MATTERS IDENTIFIED

K-1

Honorable President and Members
 of the Board of Education
 Lawrence School District
 County of Mercer
 Lawrence, New Jersey

We have audited the general-purpose financial statements of the Board of Education of the Lawrence School District, in the County of Mercer, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated November 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Lawrence Board of Education is responsible for establishing and maintaining effective internal control over financial reporting.

In planning and performing our audit, we considered the Lawrence Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lawrence Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lawrence Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lawrence Board of Education's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of general-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management, the Lawrence Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robert A. Hulsart

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 14, 2012

Robert A. Hulsart and Company
 CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
 ROBERT A. HULSART, JR., C.P.A., P.S.A.
 RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:
 (732) 280-8888
 e-mail:
 rah@monmouth.com

2807 Hurley Pond Road • Suite 100
 P.O. Box 1409
 Wall, New Jersey 07719-1409
 (732) 681-4990

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
 DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
 INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
 OMB CIRCULAR A-133 (UNQUALIFIED OPINION ON COMPLIANCE;
 NO MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES IN
 INTERNAL CONTROL OVER COMPLIANCE IDENTIFIED)**

K-2

Honorable President and Members
 of the Board of Education
 Lawrence School District
 County of Mercer
 Lawrence, New Jersey

Compliance

We have audited the Board of Education of the Lawrence School District, in the County of Mercer, State of New Jersey, with the types of compliance requirements described in the *(OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Lawrence Board of Education's major federal and state programs for the year ended June 30, 2012. Lawrence Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Lawrence Board of Education's management. Our responsibility is to express an opinion on the Lawrence Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Lawrence Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Lawrence Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Lawrence School District, in the County of Mercer, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the Board of Education of the Lawrence School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Lawrence Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lawrence Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Lawrence Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Lawrence Board of Education's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, the Lawrence Board of Education, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robert A. Hulsart

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 14, 2012

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2011	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustment	Balance at June 30, 2012	
				From	To							(Accounts Receivable)	Due to Grantor at
U.S. Department of Education:													
General Fund													
Medical Assistance Program(Sem)	93.778	N/A	\$ 44,897	7/1/2011	6/30/2012	\$ -	-	44,897	(44,897)			(168,694)	-
Education Jobs fund	84.410A	ARRA-11	168,694	8/10/2010	9/30/2012	-	-	44,897	(168,694)			(168,694)	-
U.S. Department of Education:													
Passed Through State Department of Education:													
Special Revenue Fund:													
Title 1 Cluster:													
Title I	84.010	NCLB12	\$ 350,844	9/1/2011	8/31/2012	(29,471)		126,880	(210,871)			(83,991)	-
Title I	84.010	NCLB11	296,944	9/1/2010	8/31/2011	(25,369)		155,106	(125,635)				-
Title SIA	84.010	NCLB09	106,774	9/1/2008	8/31/2009	(5,598)		25,369	(4,943)				-
Title SIA	84.010	NCLB10	10,540	9/1/2009	8/31/2010	(35,757)		10,541	(76,154)			(14,831)	-
Title IIA	84.367	NCLB11	97,386	9/1/2011	8/31/2012	(23)		61,323	(14,742)	20			-
Title IIA	84.367	NCLB11	89,818	9/1/2010	8/31/2011			50,479					-
Title IIA	84.367	NCLB09	88,652	9/1/2009	8/31/2010			23					-
Technology Cluster:													
Title IID	84.318	NCLB11	597	9/1/2010	8/31/2011	(88)		105	(17)				-
Title IID ARRA Ed. Technology	84.386	NCLB10	1,429,662	9/1/2009	8/31/2011	(179,498)		400,502	(249,245)			(28,241)	-
Title III	84.365	NCLB 12	43,480	9/1/2011	8/31/2012	(3,248)		24,771	(28,419)			(3,648)	-
Title III	84.365	NCLB11	33,231	9/1/2010	8/31/2011	(1,033)		3,291	(43)				-
Title III	84.365	NCLB10	26,178	9/1/2009	8/31/2010	161		1,033	(13)			(12)	-
Title IV	84.186A	NCLB10	8,206	9/1/2009	8/31/2010			1					-
Perkins	84.243A	NA	11,928	9/1/2009	8/31/2010								-
Special Education Cluster:													
IDEA Basic	84.027	FT12	1,301,090	9/1/2011	8/31/2012	(378,167)		1,162,668	(1,578,773)			(416,105)	-
IDEA Basic	84.027	FT11	1,177,081	9/1/2010	8/31/2011	(9,353)		427,222	(133,220)		84,165		-
IDEA Basic	84.027	FT10	1,113,818	9/1/2009	8/31/2010			9,353					-
IDEA Preschool	84.173	FT12	82,169	9/1/2011	8/31/2012	(10,378)		55,140	(60,532)			(5,392)	-
IDEA Preschool	84.173	FT11	40,387	9/1/2010	8/31/2011	(137,119)		10,378	(1,299)				-
ARRA IDEA Basic	84.391	ARRA10	1,170,897	9/1/2010	8/31/2011	(6,331)		138,418			331		-
ARRA IDEA Preschool	84.392	ARRA10	42,312	9/1/2010	8/31/2011	(821,272)		6,000	(2,483,906)		84,516	(552,220)	-
Total U.S. Department of Education													
U.S. Department of Agriculture - Passed Through State Department of Education:													
Child Nutrition Cluster:													
National School Lunch Program	10.555	N/A	357,078	7/1/2011	6/30/2012	(60,115)		331,142	(357,078)			(25,936)	-
National School Lunch Program	10.555	N/A	370,134	7/1/2010	6/30/2011			60,115					-
School Breakfast Program	10.553	N/A	15,402	7/1/2011	6/30/2012	(2,124)		13,771	(15,402)			(1,631)	-
School Breakfast Program	10.553	N/A	8,772	7/1/2010	6/30/2011			2,124					-
Food Distribution Program	10.550	N/A	69,054	7/1/2011	6/30/2012	(62,239)		69,054	(69,054)				-
Total U.S. Dept. of Agriculture												(27,567)	-
Total Federal Financial Assistance												(748,481)	-

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Schedule B
K-4

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program/ State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2011	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2012	Deferred Revenue June 30, 2012	Due to Grantor at June 30, 2012	MEMO	
			From	To									Budgetary Receivable	Total Cumulative Expenditures
General Fund:														
Special Education Aid	12-495-034-5120-089	2,169,756	7/1/2011	6/30/12	\$ -		2,169,756	(2,169,756)					(149,615)	2,169,756
Security Aid	12-495-034-5120-084	403,965	7/1/2011	6/30/12			403,965	(403,965)					(27,723)	403,965
Transportation Aid	12-495-034-5120-014	347,957	7/1/2011	6/30/12			347,957	(347,957)					(23,867)	347,957
Extraordinary Aid	11-495-034-5120-473	219,290	7/1/2010	6/30/11	(219,290)		219,290							
Transportation Cost in Excess	12-495-034-5120-473	222,672	7/1/2011	6/30/12				(222,672)		(222,672)				222,672
Transportation Cost in Excess	12-495-034-5120-014	40,349	7/1/2011	6/30/12				(40,349)		(40,349)				40,349
Reimbursed Social Security Aid	11-495-034-5120-014	46,558	7/1/2010	6/30/11	(46,558)		46,558							
Reimbursed Social Security Aid	12-100-034-5095-002	2,148,793	7/1/2011	6/30/12	(107,620)		1,999,473	(2,148,793)		(149,320)				2,148,793
Total General Fund	11-100-034-5095-002	2,076,695	7/1/2010	6/30/11	(373,668)		5,294,619	(5,333,492)		(412,341)			(201,205)	5,333,492
Special Revenue:														
Preschool Education	12-495-034-5120-086	132,000	7/1/2011	6/30/12			132,000	(132,000)					(8,342)	132,000
N.J. Nonpublic Aid:														
Textbooks	12-100-034-5120-064	73,956	7/1/2011	6/30/12			73,956	(73,702)				254		73,702
Nursing Services	11-100-034-5120-064	86,454	7/1/2010	6/30/11	1,327				(1,327)					130,144
English as a Second Language	12-100-034-5120-067	5,123	7/1/2011	6/30/12			130,144	(130,144)						130,144
Compensatory Education	12-100-034-5120-067	4,482	7/1/2011	6/30/12	1,793		4,482	(3,448)				1,034		3,448
Compensatory Education	12-100-034-5120-067	99,749	7/1/2011	6/30/12			99,749	(87,319)				12,430		87,319
Transportation	11-100-034-5120-067	133,963	7/1/2010	6/30/11	54,334				(54,334)					25,156
Home Instruction	12-100-034-5120-067	25,156	7/1/2011	6/30/12			25,156	(25,156)						5,214
Home Instruction	11-100-034-5120-067	5,214	7/1/2011	6/30/12				(5,214)		(5,214)				102,495
Exam. and Class. - Initial	12-100-034-5120-066	15,225	7/1/2010	6/30/11	(15,225)		15,225							30,337
Exam. and Class. - Initial	11-100-034-5120-066	116,019	7/1/2010	6/30/11	3,347				(3,347)					24,092
Exam. and Class. - Annual	12-100-034-5120-066	114,884	7/1/2011	6/30/12			114,884	(102,495)				12,389		50,718
Corrective Speech	11-100-034-5120-066	39,373	7/1/2010	6/30/11	31,212		39,373	(30,337)				9,036		664,625
Corrective Speech	12-100-034-5120-066	61,803	7/1/2011	6/30/12			52,130	(24,092)				28,038		
Supplementary Instruction	12-100-034-5120-066	52,130	7/1/2011	6/30/12			91,198	(50,718)				40,480		
Supplementary Instruction	11-100-034-5120-066	91,198	7/1/2010	6/30/11	14,798				(14,798)				(8,342)	
Total Special Revenue Fund		90,328	7/1/2010	6/30/11	91,586		778,297	(664,625)		(5,214)		103,661		
Debt Service:														
Debt Service Aid Type II	12-495-034-5120-125	673,859	7/1/2011	6/30/12			673,859	(673,859)						673,859
State Department of Agriculture Enterprise Fund:														
National School Lunch Program:														
State Share	12-100-010-3350-023	14,925	7/1/2011	6/30/12	(3,300)		13,880	(14,925)		(1,045)				14,925
State Share	11-100-010-3350-023	13,616	7/1/2010	6/30/11	(3,300)		3,300							
Total Enterprise Fund					(3,300)		17,180	(14,925)		(1,045)				14,925
Total State Financial Assistance					\$ (285,182)		6,763,955	(6,686,901)		(418,600)		103,661	(209,547)	6,686,901

See accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

BOARD OF EDUCATION

K-5

LAWRENCE TOWNSHIP SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2012****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Lawrence Township School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed other government agencies is included on the schedule of federal awards and state financial assistance.

NOTE 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

The general-purpose financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is as stated in the accompanying analysis. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule of Expenditures of State					
Financial Assistance	\$ 5,333,492	664,625	673,859	14,925	6,686,901
Difference – Budget to “GAAP”					
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized		60,031			60,031
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	2,978,726				2,978,726
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>(143,608)</u>	<u>(4,229)</u>	<u> </u>	<u> </u>	<u>(147,837)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 8,168,610</u>	<u>720,427</u>	<u>673,859</u>	<u>14,925</u>	<u>9,577,821</u>

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of Federal					
Awards	\$ 213,591	2,483,906		441,534	3,139,031
Difference – Budget to “GAAP”					
Grant Accounting Budgetary					
Basis Differs from GAAP in that					
Encumbrances are Recognized as					
Expenditures, and the Related					
Revenue is Recognized	_____	<u>4,126</u>	_____	_____	<u>4,126</u>
Total Federal Revenue as					
Reported on the Statement					
of Revenue, Expenditures,					
and Changes in Fund					
Balances	<u>\$ 213,591</u>	<u>2,488,032</u>	<u>_____</u>	<u>441,534</u>	<u>3,143,157</u>

NOTE 4: Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2012. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

NOTE 6: Adjustments

Adjustments were made to Schedule A as follows:

Receipts from prior periods unrecognized on prior year’s schedule – Title IIA, IDEA Basic and IDEA Preschool.

LAWRENCE TOWNSHIP SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2012*Part 1 - Summary of Auditor's Results***Financial Statement Section**Unqualified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified? _____ Yes x No2) Were reportable conditions(s) identified that were
not considered to be material weaknesses? _____ Yes x No(C) Noncompliance material to general purpose financial
statements noted? _____ Yes x No**Federal Awards Section**

(D) Dollar threshold used to determine Typed A programs:

\$300,000

(E) Auditee qualified as low-risk auditee?

 x Yes _____ No

(F) Type of auditor's report on compliance for major programs:

Unqualified

(G) Internal control over compliance:

1) Material weakness(es) identified? _____ Yes x No2) Were reportable condition(s) identified that were
not considered to material weaknesses? _____ Yes x No(H) Any audit findings disclosed that are required to be reported
in accordance with OMB Circular A-133 (section .510(a))?_____ Yes x No

(I) Identification of major programs:

CFDA Number(s)**Name of Federal Program or Cluster**10.553School Breakfast Program (Child Nutrition Cluster)10.555National School Lunch Program (Child Nutrition Cluster)84.010Title I (Title I Cluster)84.010Title I SIA (Title II Cluster)84.027I.D.E.A. Part B (Special Education Cluster)84.173I.D.E.A. Preschool (Special Education Cluster)84.391I.D.E.A. Part B-ARRA (Special Education Cluster)84.318Title IID (Technology Cluster)84.386ATitle IID-Educational Technology-ARRA (Technology Cluster)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2012***Part 1 - Summary of Auditor's Results (Continued)*****State Awards Section**

- (J) Dollar threshold used to determine Type A programs: \$300,000
- (K) Auditee qualified as low-risk auditee? x Yes No
- (L) Type of auditor's report on compliance for major programs: Unqualified
- (M) Internal control over compliance:
- (1) Material Weakness(es) identified? Yes x No
- (2) Were reportable condition(s) identified that were
 not considered to material weaknesses? Yes x No
- (N) Any audit findings disclosed that are required to be reported
 in accordance with N.J. OMB's Circular 04-04? Yes x No
- (O) Identification of major programs:

GMIS Number(s)

12-495-034-5120-014

12-495-034-5120-084

12-495-034-5120-089

12-495-034-5120-125

12-495-034-5095-002

Name of State Program

Transportation Aid

Security Aid

Special Education Aid

Debt Service Aid-Type II

Reimbursed Social Security

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Part 2 - Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2012*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL AWARDS

Finding: N/A

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICT

116.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prior Audit Findings:

None